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THE AMERICAN ELEVATOR AND GRAIN TRADE

Printed in U. S. A.

Entered as second-class matter June 26, 1885, at the Post Office at Chicago, Illinois, under Act of March 3d, 1879

Established 1883

PUBLISHED BY
Mitchell Brothers Publishing Co.

A MONTHLY JOURNAL DEVOTED TO THE ELEVATOR AND GRAIN INTERESTS.

One Dollar Per Annum
SINGLE COPIES, 15 CENTS

VOL. XLIX

431 South Dearborn Street, Chicago, Ill., October 15, 1930

NO. 4

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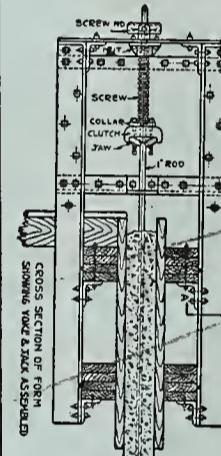
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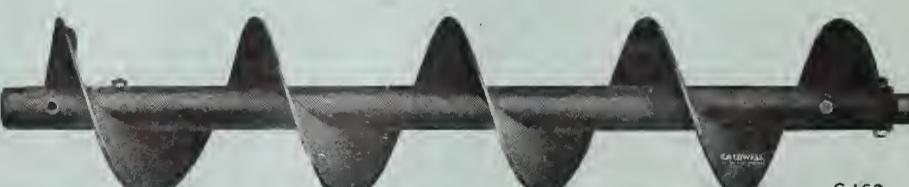
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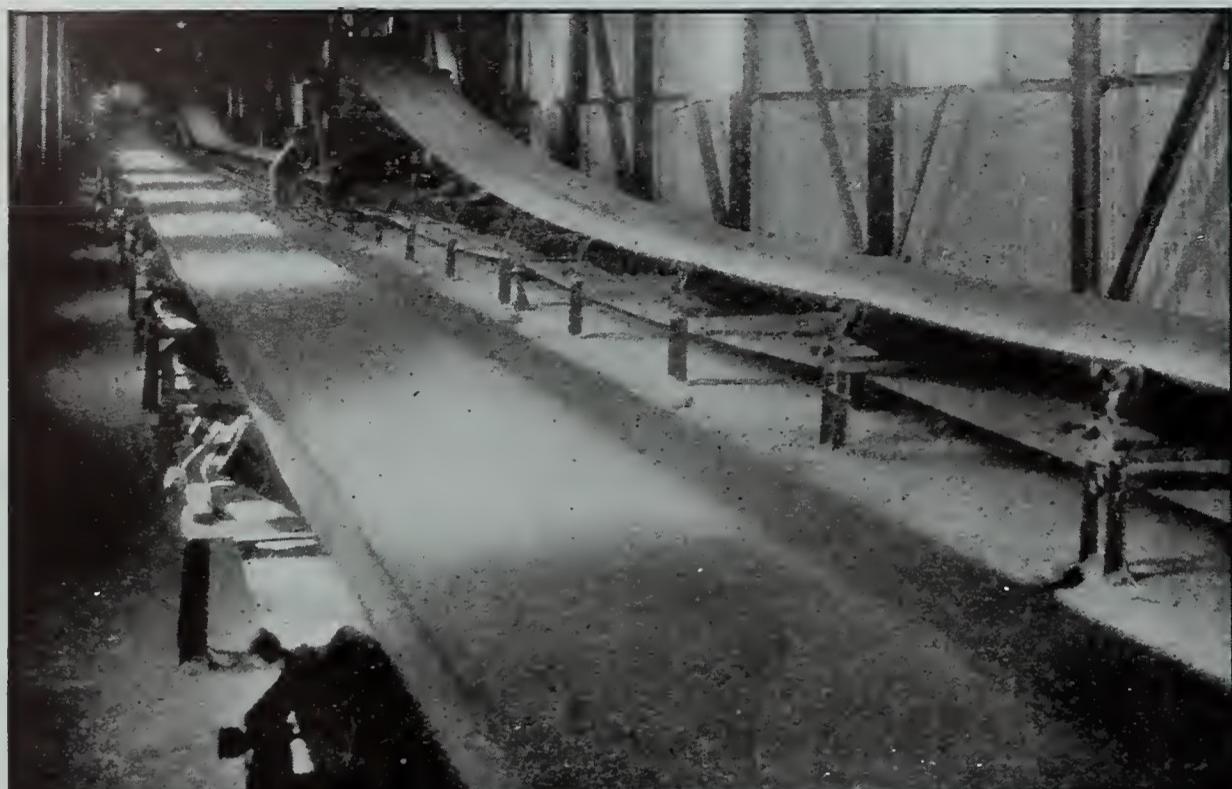
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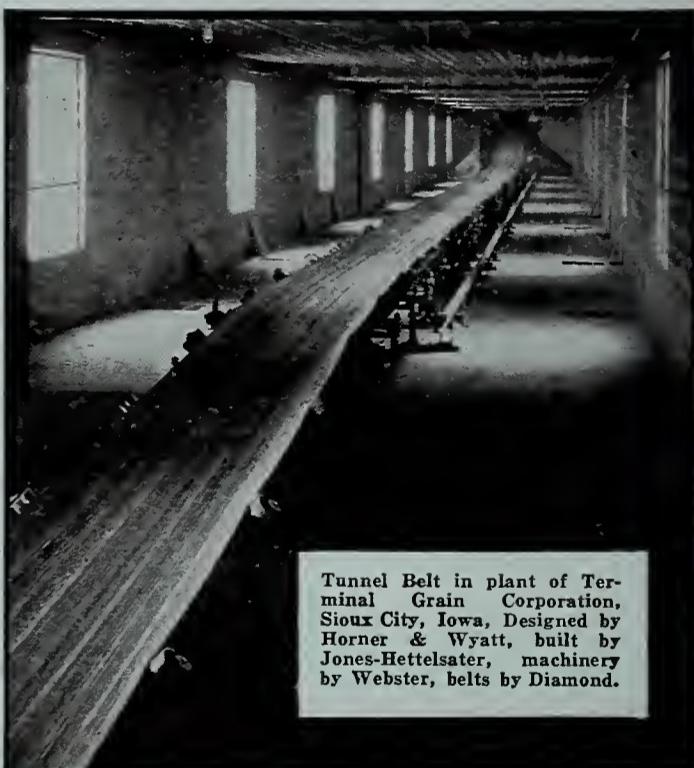
readily in passing over trippers, trough properly, and respond easily to the speed of the idlers, synchronizing perfectly with the newest and best types.

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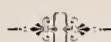
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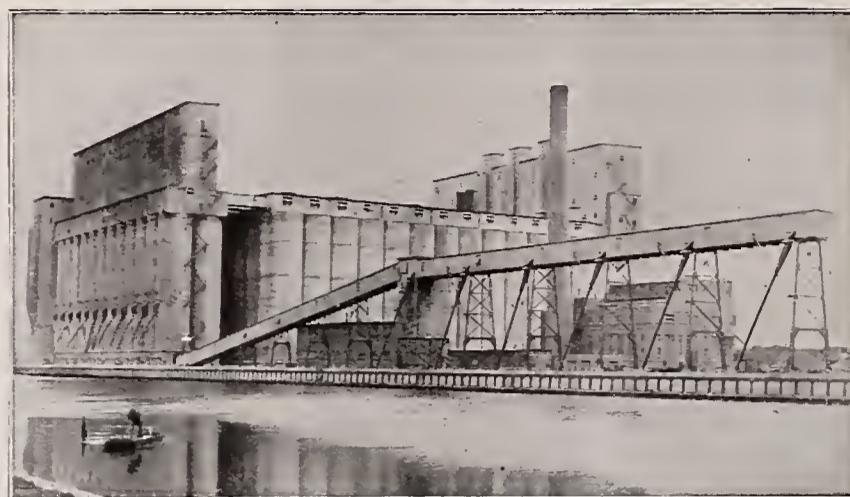
MACHINERY



Manchester Ship Canal Elevator
Manchester, England
Capacity 1,500,000 Bushels
Completed 1914



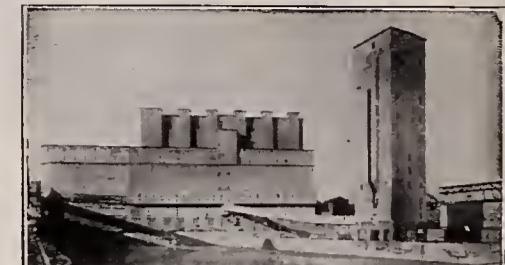
Buenos Aires Elevator Co.
Buenos Aires, Argentina
Capacity 750,000 Bushels
Completed 1920



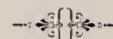
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South Chicago, Illinois
Capacity 10,000,000 Bushels
Completed 1920

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Harbour Commissioners Elevator No. 2
Montreal, Quebec
Capacity 2,600,000 Bushels
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Sydney, Australia
Capacity 6,400,000 Bushels
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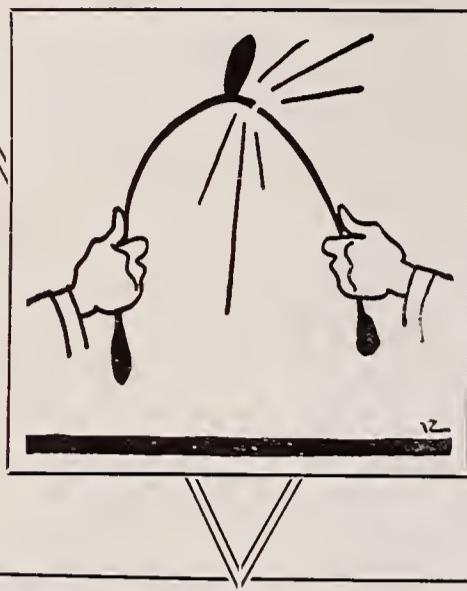
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2,500,000 Bu. Elevator

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ahead—an advance we
propose to maintain.*

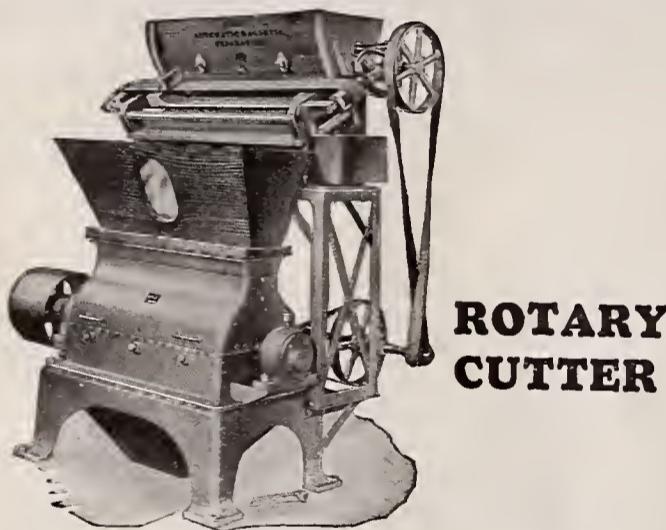
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Getting the business "breaks" is more a matter of good judgment in the selection of machinery and methods than of holding a "wishing party".

If you seek the structure behind the success of certain feed mill operators you will find that the Wolf Rotary Cutter has played a constructive and profitable part. It was designed to increase efficiency and profits in the milling of scratch feeds. It is inexpensive to install—provides clean-cut grain of highest quality—is highly economical in operation—provides true shearing action—allows knives and screens to be changed in a few minutes and never needs adjustment.

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Please send me more information on the Wolf Rotary Cutter mentioned in your advertisement in the October 15th issue American Elevator & Grain Trade.

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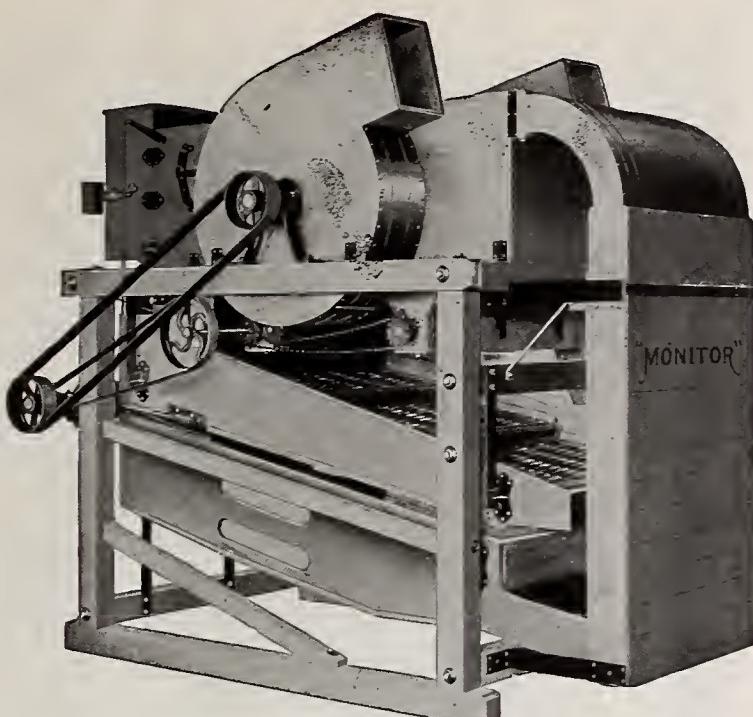
EHRSAM TIMKEN-EQUIPPED CONVEYOR INSTALLATIONS

THE illustration above shows an "Ehrsam" Timken bearing-equipped conveyor—and the lower illustration shows an "Ehrsam" heavy duty self-propelling tripper—both just recently installed in an addition to a large southwestern elevator. Additional "Ehrsam" equipment was installed too. For the name "Ehrsam" stands for quality elevator equipment in the industry.

J. B. Ehrsam & Sons Mfg. Co. ENTERPRISE, KANS.

Manufacturers of Machinery for flour mills, Cement Plaster Mills, Grain Elevators, Salt Plants, Coal Handling and Rock Crushing Systems, Fertilizer Factories, Power Transmission, Elevating and Conveying equipment.





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is good figuring for any buyer.

You get just that in the MONITOR Combined Corn and Small Grain Cleaner. Two shoes, each with a complete set of screens. A valve controls the flow so that the only change necessary when changing from one grain to the other, is a turn of a valve, just a reach and a twist. The screens are not only always ready for use but are never laying around to be damaged. Always safely stored and protected from injury.

It's a fine model for any elevator restricted in floor space.

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Department E

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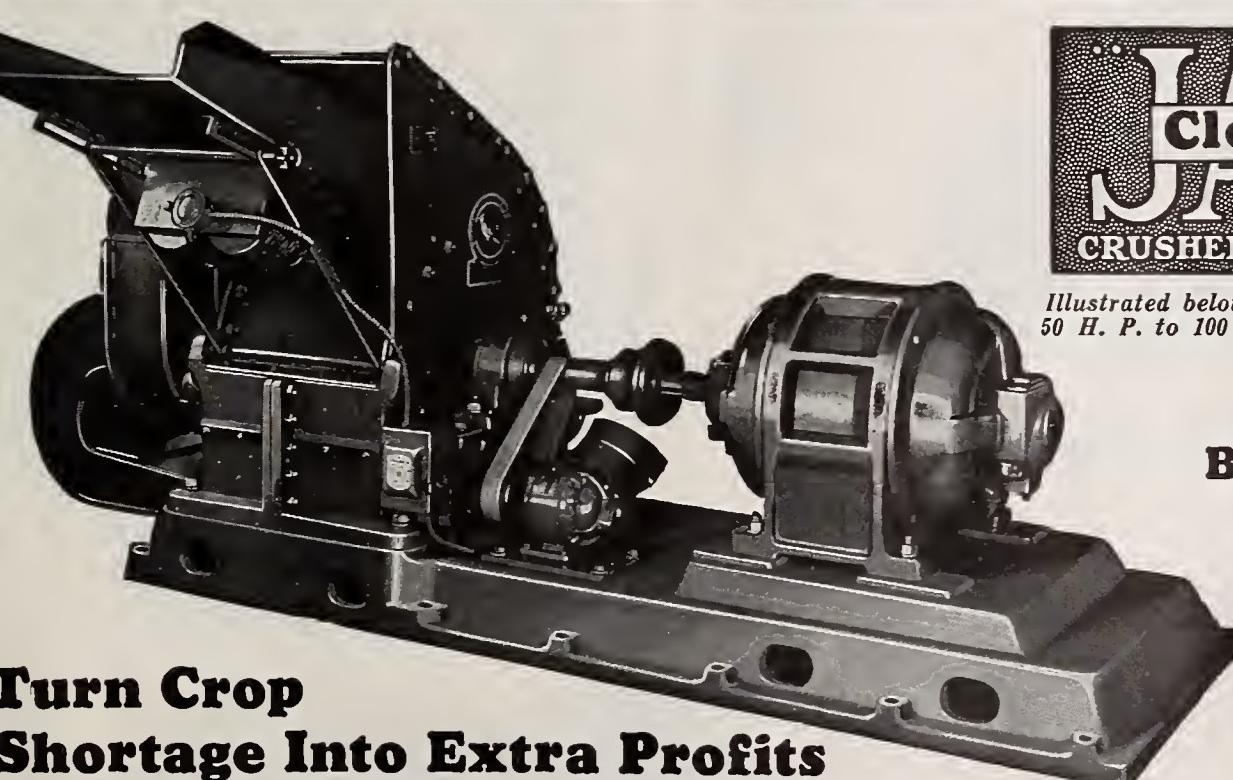
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JAY BEE
CRUSHER - GRINDER - PULVERIZER

Illustrated below "Jay Bee" Model "W": Direct Connected 50 H. P. to 100 H. P.; Belt Driven 50 H. P. to 75 H. P.

Double Your Business This Winter!

It is an undisputed fact that wherever a "Jay Bee" mill is installed, the business has always increased—many times four-fold. Because no other feed grinder made will do the quality grinding done by the "Jay Bee," farmers will pass up other mills on the way, and go to the "Jay Bee." Then, again, because of the satisfaction that you have rendered, you will sell protein concentrates, and other merchandise, which you might not otherwise have sold.

The "Jay Bee" is made in sizes and styles to meet every grinding requirement: from 12 h. p. to 100 h. p. for belt, V-belt and direct-connected drives. Write for literature and complete details.

Over 14,000 "Jay Bee" mills in use: proof of their undisputed economy and superiority. Manufactured by the Bossert Corp., Utica, New York, the World's Largest Hammer Mill manufacturers.

Turn Crop Shortage Into Extra Profits

More "Jay Bee" Mills Needed to Grind Wheat and Roughage

Crop conditions this year make it absolutely necessary that more grinding be done than ever before. Millions of bushels of wheat—ordinarily not thought of as cattle and hog feed—will be ground and fed this winter. Corn fodder with the ears on, alfalfa, hay and other roughage will be ground in order that the crop "be stretched" to the limit.

The man with the "Jay Bee" mill will cash in on this crop shortage by being able to serve his community better and make a good profit for himself. More "Jay Bee" mills in the milling industry than all other hammer mills combined is conclusive proof of greatest economy and net profits in a feed grinder.

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If you are going to build new storage this fall or during 1931 draw your specifications to include the

ZELENY THERMOMETER SYSTEM

If your present bins are not equipped with it ask us for prices so that your appropriations will carry authority for its installation next year, then you can store the 1931 crop with the knowledge that you are going to know the condition of the contents of your bins by a system that accurately indicates the temperature every five feet from bottom to top of the bin. When you install

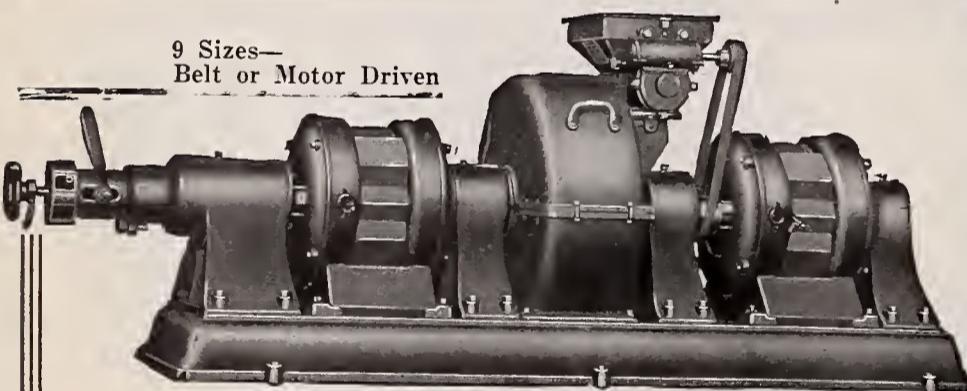
THE ZELENY SYSTEM

you will help a lot to make your good times better, and our times good. Let's all get together and prepare to sing "Happy Days are Here Again" and to be prepared we should start our practice now. How many bins would you like to have equipped with the system? We shall be pleased to quote on any number, large or small. If you have 20 or more we will lead the singing.

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**Larger Feed Grinding
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HAMMER TO
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All eleven sizes of lacing are furnished with metal hinge pins, unless ordered otherwise. Metal outwears other types of pins and does not soften under moisture.

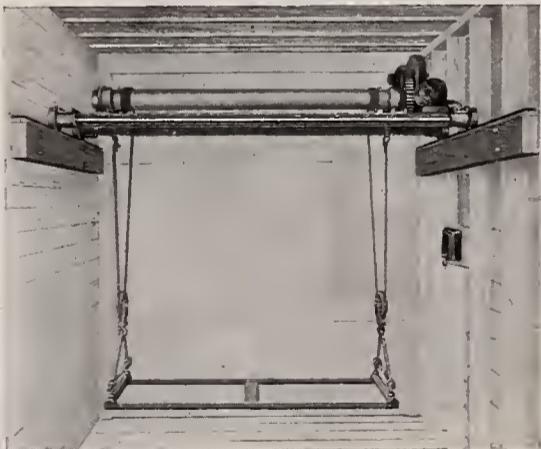
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Owners: Galveston Wharf Company. Designers and Engineers: Horner & Wyatt, Kansas City, Mo. Builders: Jones Hettelsater Constn. Co., Kansas City, Mo.

Equipped with three 1,000-bus. Randolph Driers using oil burners and having a daily capacity of 75,000 to 100,000 bushels.

*This Is the World's Largest
Grain Drying Plant
WITHOUT A BOILER*

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B

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CONCRETE GRAIN BINS

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FORT BRANCH INDIANA

Hess Direct Heat Driers

Have all the advantages and flexibility
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WITHOUT
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If the chickens ate at the table and you ate off the ground, would you have any preference as to what they gave you to eat?

The Money Value of "Taste" in Pigs and Chickens *and what it means to the Dealer in Feeds*

When your customers the Hog and Poultry raisers are getting 15c for pork and 40c for eggs you, Mr. Feed Dealer, don't worry so much about getting customers who have money to pay for the feed that you sell them. But when the price of pork and eggs comes down to about HALF that amount you have to worry plenty about getting money for your feed. Because the money that comes into your cash drawer has to be squeezed out of profits. And it takes real scientific and economic "squeezing" to get real money out of profits when market prices are low.

SCIENCE has made some great discoveries in the pig and chicken world.

It has discovered that pigs and chickens have taste the same as humans. That they will use their taste in selection, if given a chance. And finally that what they like best is best for them.

Smart dealers know that almost any feed can be made tasty to chickens and pigs when a little Semi-Solid Buttermilk is added to that feed. And smart dealers today—the ones

who are making the money—are seeing to it that their customers use Semi-Solid along with whatever feed they sell them.

They know that Semi-Solid Buttermilk is just as important to an animal or fowl meal as salt is to a human meal. The flattest feed becomes a tasty feed the moment Semi-Solid is added to it. And it is this tastiness, science tells us, that stimulates digestion and makes for the greatest economy of pork, poultry and egg production.

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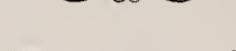


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THE AMERICAN ELEVATOR AND GRAIN TRADE



Published on the fifteenth of each month by Mitchell Bros. Publishing Co., 431 So. Dearborn St., Chicago, Ill.

Subscription price, \$1.00 per year.
English and Foreign subscription, \$1.75 per year.

Established in 1882.

VOL. XLIX

CHICAGO, ILLINOIS, OCTOBER 15, 1930

NO. 4

1852--Arthur J. Mitchell--1930

AT FIVE O'CLOCK on the morning of September 25, Arthur J. Mitchell, president of the company which has published the *American Miller* since 1873, and the AMERICAN ELEVATOR AND GRAIN TRADE since 1882, died at his home in Chicago after a brief illness which had kept him from his desk only 10 days previous to his death.

Mr. Mitchell was the son of John S. and Inger M. Mitchell and was born October 21, 1852, at Ottawa, Ill. After finishing school he went to work for Chisholm Bros., mill furnishers of Ottawa, and in 1873 that company, realizing the need of a paper which could be the means of intercommunication between millers, formed the American Miller Publishing Company, and in May of that year brought out the first issue of the *American Miller*. The first few issues were published from Ottawa and then it was brought to Chicago. In 1876 a younger brother, Harley B. Mitchell, finished college and came with the paper as editor, and shortly afterward it was taken over by the brothers and since that time has been published by Mitchell Bros. Publishing Company. A. J. Mitchell was made president and served in that capacity until his death.

This is the merest outline of facts. Hundreds of millers and grain dealers everywhere can fill in much of the intervening period. These two publications became Mr. Mitchell's life, and for 57 years he lived with and for millers and grain dealers. Many can testify to the endless trouble he assumed in helping readers find positions and getting them out of difficulties of one kind or another. Their welfare was his first thought, and subscribers and advertisers counseled with him, sure of the sympathy of understanding, and of the sound judgment of experience and common sense.

He has seen firms rise from small beginnings to great industrial institutions. He has seen publications come and go and has been through some of the most severe financial storms which this country

has seen, and yet he always kept the faith; not once have these publications failed to issue during the 57 years; and only a few times, and then so that the report of important meetings could reach the trade promptly, have issues been held up a single day past the publication date. Mr. Mitchell was always like that, highly sensible of his obligation to readers and advertisers alike and ready to make any sacrifice to meet that obligation.

During the war the paper supply in the Chicago district became all but exhausted. It was not a matter of price; there was none to be had at any price, and the railroads laughed at the demand for cars to haul paper, a non-essential compared with the food and munitions that were moving overseas. So the paper was ordered from the mill in Michigan and was delivered by motor truck, and the *American Miller* and the AMERICAN ELEVATOR AND GRAIN TRADE made the mails on their appointed days and no reader was aware of the anxiety and the expense which those issues had caused. This is just one instance of many through the years when Mr. Mitchell proved his loyalty to his ideals and to his friends in the American grain industry.

On the more personal side it is difficult to speak. Day by day association through many years with a man who was friend as well as employer, produces a relationship that cannot be described nor exploited. Throughout the offices of the company there is loneliness

and the poignant grief which the loss of only a great personality could cause.

For over a year Mr. Mitchell's son, Arthur H., has been taking over more and more of the responsibility of the business, and will assume full charge with full knowledge and experience, having been with the company for over 20 years, serving as secretary through most of that time.

Mr. Mitchell was buried at Graceland Cemetery, Chicago, on September 27. Besides his widow and son he leaves a daughter, Mrs. Sanford S. Holden of Kenilworth, Ill., and four grandchildren.



Grain Storage With New Features

Terminal Plant at Toledo, Ohio, Utilizes Photo-Electric Cell—Industry's Mechanical "Eye"

BUILT in record time for its size, the new 2,100,000 elevator of the National Milling Company, Toledo, Ohio, took in its first cars of grain on July 21, 1930, 10 days prior to the date specified in the contract and exactly 110 days after contract for construction was signed. Some delay in starting construction was due to the necessity of obtaining consent of the city of Toledo to vacate half of Paine Avenue to allow room for the improvement.

On April 2, excavation started and from that date until completion of the job the crews of the Macdonald Engineering Company, awarded the contract for engineering and construction, worked continuously, day and night, to complete the elevator so that it would be ready to receive the new harvest of grain not later than the first of August.

The storage, which is 79 feet, 4 inches wide and 400 feet long, consists of 40 circular bins of 25½-foot inside diameter, and 25 interstice bins, the reinforced concrete walls of which are 107½ feet above a 10-foot basement of column type construction. The basement which is entirely above grade, and the 9½-foot high cupola over the bins, have plenty of daylight for the operation of draw-off and distributing belt conveyors.

The draw-off spouts under the bins have special

the latest improvements in car dumper design. Having an average capacity of 10 cars per hour, continuous running, requires very accurate movement of the dumper mechanism. To accomplish quicker handling of the mechanism and also to prevent side tilt except when dumper is in end tilt level position, a photo-electric cell relay is employed. This unit, when exposed to a ray of light from an operating lamp, possible only when the dumper is level, operates a telephone relay which in turn operates a 15-ampere relay. While the light is on the photo cell, the relay is closed and when the light is cut off the relay opens and the side tilt mechanism cannot operate.

Grain from the cars is discharged through a 2,500-bushel hopper directly into the boot of a 25,000-bushel-per-hour receiving elevator which is 222 feet high, and discharges through a revolving screen scalper into a 3,000-bushel garner over a 2,500-bushel scale. Distribution from the scale is through a spout directly to the workhouse bins or onto two 48-inch belt conveyors, with traveling trippers, over the storage bins. A bank of 66 lights on the scale floor with a corresponding light over each bin in the storage, and one for the belt conveyor to the old storage that can be extinguished only when the trippers are correctly spot-

the "Uneeda Bakers" family being a subsidiary of the National Biscuit Company, and ships its entire production of flour to the parent company. Harold Anderson is president and general manager.

Drawings of the new elevator and equipment were made in the engineering department of Macdonald Engineering Company subject to approval by Louis Wirsching, architect for the National Biscuit Company. Electrical work was designed by the engineering department of the National Biscuit Company to conform to its standard installations throughout all the company's plants.

Conveying machinery was furnished by the Weller Manufacturing Company, all belt conveyor idlers being of the anti-friction type with roller bearings. Machinery bearings are collar oiling, dust proof and of heavy duty pattern, all belt conveyors and elevators are driven through herring bone gear reducers and flexible couplings by motors furnished by Wagner Electric Corporation and Crocker-Wheeler Company. Rubber belting for the elevators and conveyors was furnished by Quaker City Rubber Company.

The detailed list of Weller equipment for the Toledo mill storage addition includes 1,265 Minneapolis buckets, two 48-inch storage belts, and six 30-inch conveyor belts all equipped with roller bearings idlers, trippers, steel frames, etc., one Mayo Spout with scale valve, one 2,500-bushel scale hopper, garner valves, 11 16-inch Munn Bin Valves, one rectangular telescope spout, and miscellaneous items all of which are of a quality that assures satisfaction under the stress of the hard service which is the daily routine at this busy plant.

GRAIN DRYING AT COUNTRY ELEVATORS*

The market value and storage qualities of grain depend to a large extent upon its moisture content. When in sound, marketable condition wheat, oats, barley, and rye produced in the Spring wheat areas have a moisture content varying from 11 to 14.5 per cent, and flax from 8 to 10 per cent. The Federal grain standards specify maximum moisture contents for grade No. 1 as follows: Spring and Durum wheat, 14 per cent, all other wheat 13.5 per cent; oats, 14 per cent; rye, 13 per cent; barley grown east of the Rockies, 14.5 per cent, and barley grown west of the Rockies, 13.5 per cent. Cereal grain containing more than the maximum moisture content specified for grade No. 1 is assigned to a lower grade. Grain containing moisture much in excess of that specified for grade No. 1 may be seriously damaged in storage or in transportation to market.

Weather conditions, storage facilities, and prevalence of broken kernels in the grain each influence to some extent the maximum moisture content that grain contains to be safe for storage, but under average conditions grain containing not over the maximum moisture content specified for grade No. 1 is considered sufficiently dry for safe storage.

Threshing of grain before it is thoroughly dry, uneven ripening of the grain, presence of green weed seeds in the threshed grain, unfavorable weather condition during the threshing season, starting the combine before the grain is dead ripe or too soon after dews or rains, or a combination of these factors, is largely responsible for a moisture content in the grain that is frequently too high for safe storage and transportation, or to enable the grain to meet the moisture content requirements for the higher grades. Such grain must be



NEW AND OLD ELEVATORS OF THE NATIONAL MILLING COMPANY, TOLEDO, OHIO

belt loaders designed and built by Leonard Carmichael, superintendent of the National Milling Company's plant. The loader acts as a dead box, bringing the grain almost to rest four inches above the belt and delivering it to the belt in a stream of grain three feet long without spill or dust.

A distinct feature in the handling of cars coming in for unloading arises from the fact that no space was available for laying a tail track to care for empty cars. A double track system with a cross-over switch at each end of the car dumper was laid through the train shed. Loaded cars are placed on inside track No. 2 where a 15-ton Plymouth locomotive picks up one at a time and pulls it on to the car dumper, at the same time pushing off an empty which in turn is left standing on track No. 1 between the cross overs.

On the next trip it is kicked down track No. 1 and left standing (beside the loaded cars) for removal. The track layout is really a reversal of the tail track so that empties stand alongside the incoming cars. New loads may be delivered, and empties pulled away without interfering with unloading operations.

The locomotive takes the place of the customary car haul and completes its cycle around the cross-overs in six minutes, thus unloading at the rate of 10 cars per hour.

The Link Belt Car Dumper is equipped with all

ted over the designated bins, provides a fool-proof signal system. Communication between the car dumper operator and the weighman on the scale floor is by means of a telephone system supplemented by a pneumatic tube system furnished by the Lamson Company, for carrying car ticket.

Connections between the new elevator and the mill is made by two 30-inch belt conveyors of 10,000 bushels per hour capacity, one conveyor supported in a steel bridge from the top of the new bins to the cupola over the old storage where the transfer can be made to the old belt conveyor in this house on to the other new conveyor also supported in a bridge between the old storage and the mill. In the event of a choke in any part of the conveyor system, the flow of grain can be immediately stopped by remote control switches located at convenient points along the conveyors.

Grain from the new storage is elevated by a 10,000-bushel-per-hour transfer elevator in the workhouse to the distributing floor, discharged onto one of the 48-inch cupola belts, and transferred to the 30-inch conveyors in the bridge and thence to the mill.

Completion of the new storage gives the plant a total storage capacity of 4,400,000 bushels. The daily capacity of the mill is 6,000 barrels of flour and 250 tons of mill feed.

The National Milling Company is a member of

*Article prepared from a bulletin written by W. M. Hurst, assistant agricultural engineer, and R. H. Black, senior marketing specialist. Both are connected with the Department of Agriculture.

dried in some manner before it can be safely stored or shipped from country elevators.

Small quantities of threshed grain that contain only a slight excess of moisture may be dried slowly in properly ventilated farm bins or by repeated aeration, but such methods are not applicable to large quantities of grain nor to grain that must be made fit for commercial use without undue delay.

Types of Grain Driers

Grain driers of various makes, types, and sizes are on the market at present, but practically all of them are similar in that the drying air is forced through layers of grain usually from four to six inches thick. The commercial drier on which observations were made was of the type generally known as the direct-heat drier. In this type, hot gases are drawn from a furnace, mixed with outside air in a mixing chamber to produce the desired temperature, and then forced through the grain by a fan. The temperature of the mixture of the furnace gases and air was controlled by a thermostat which, by means of air pressure, actuated a series of dampers regulating the quantity of hot and cold air admitted.

The drier was made of sheet metal and had a cross section of approximately 5 by 8 feet and an over-all height of about 26 feet. The drier was divided horizontally into two bins containing intake and exhaust flues. Hot air from the furnace was supplied to the upper bin for drying, and atmospheric air was used in the lower bin for cooling the grain. The bins were separated by plate valves, and a separate fan was used for each bin. The rated capacity of the drier was 250 bushels of

wheat per hour and it could be used for either batch or continuous operation.

Air from the fans entered the grain through a series of intake flues, was forced through the grain, and allowed to escape through exhaust flues to the atmosphere. The ends of the intake flues were open on the side of the drier next to the fans, but were closed at the opposite side. The exhaust flues were closed on the side next to the fans but were open to the atmosphere at the other side of the drier.

Grain to be dried was fed by gravity into the garner at the top of the drier from a storage bin in the elevator building. The grain passed down through the drier and cooler bins by gravity and was then conveyed to a pit in the elevator building by means of a screw conveyor. The discharge rate, measured by the length of time the grain remained in the drier when operated as a continuous unit, was regulated by valves at the bottom of the hopper under the cooler bin.

Frequently grain that contains a large percentage of dockage is brought to a drier. Damp or wet grain containing dockage has a tendency to clog in grain pipes and in hopper bottom bins. The common rules applied in determining the proper slope for hopper bottom bins and the size and slope of grain pipes are not applicable if damp or wet grain is to be handled. When grain is to be fed into the drier by gravity from a storage bin, provision should be made for filling the drier quickly. If this is not done as much time may be spent in filling the drier bin as in drying a small lot of grain.

cylinder, set at an angle of about 20 degrees, in order to remove the excess carbon tetrachloride.

This procedure resulted in the recovery of a large amount of the chemical. The housing of the cylinder included provision for delivery of the recovered carbon tetrachloride to a small tank from which it was pumped to the main service tank.

C. E. Wood, superintendent of the Baltimore & Ohio Railroad elevator, has prepared a summary of the expenses incident to the removal of glass from 10,557 bushels of wheat. The average cost per bushel amounted to \$0.4865. This average cost in-



SOME OF THE NECESSARY IMPLEMENTS

cludes the expense of experimental work. Data compiled during the latter part of the operation showed that the cost per bushel had been reduced to \$0.2863.

Continued exposure of the elevator employees to the fumes of carbon tetrachloride made it necessary to supply them with gas masks which were obtained from the Chemical Warfare Service, Edgewood Arsenal, Md.

After processing, the wheat was run direct to the driers where it received a large amount of unheated air from the fans. Only a slight trace of carbon tetrachloride odor remained on the wheat after aeration. Representative samples were taken for milling and baking both before and after treatment. Dr. D. A. Coleman reports that treatment of this wheat with carbon tetrachloride offered no detrimental influence from a milling and baking standpoint.

DIRECT TESTIMONY ON SOVIET SHORT SALE CASE

Now that the sensational headlines concerning the short selling of American wheat by Soviet Russian agents have faded, an examination of the facts in the case may be reviewed. These facts are disclosed by the direct testimony of the principals in the case, secured for publication here.

Short sales of 7,765,000 bushels of wheat were placed on September 9, in the Chicago wheat market on an order from a client named Chlegborg in Hamburg, and were placed with the intention to fix the price for futures, according to testimony on September 27 by S. Y. Belitzky, vice-president and treasurer of the All-Russian Textile Syndicate, Inc., before the congressional committee investigating communistic activities in the United States.

Decision to investigate Russian short-selling activities in Chicago, charged by the Secretary of Agriculture, Arthur M. Hyde, to be an attempt by the Russian government to depress American wheat prices, was announced on September 20 by Representative Fish, head of the committee.

Mr. Belitzky stated that the transaction was not made to depress the price of the American market in wheat futures, and that while the market in futures was declining at the time of sales in question, it had been declining for a year before and continued to decline thereafter.

"The all-Russian syndicate has purchased \$262,000,000 of cotton, \$5,000,000 worth of sugar, \$2,500,000 worth of machinery, and has sold wheat futures to the value of less than \$7,000,000," Mr. Belitzky's statement explained. "In this record surely there



FORCING CARBON TETRACHLORIDE INTO TANKS

laboratory and Bureau of Agricultural Economics the Department of Agriculture, it was found practical to attempt to remove the glass from the wheat by floating it through a tank of carbon tetrachloride. The entire contents of the cars were first cleaned over an Invincible Separator equipped with Nos. 4 and 8 wire mesh screens, the purpose being to remove all particles of glass which were either larger or smaller than the wheat kernels.

How It Was Done

An iron tank, 24 inches wide, 60 inches long and 36 inches deep, was constructed at the Mount Clare shops of the Baltimore & Ohio Railroad. This tank contained approximately 3,000 pounds of carbon tetrachloride. The method employed consisted, roughly, of feeding the wheat into one end of the tank, stirring it thoroughly to insure complete separation and sinking of the glass, then skimming the wheat from the top of the discharge end. The wheat was then passed through a revolving screen



REVOLVING SCREEN USED IN CLEANING GRAIN

is not the slightest indication of a desire or an intent to manipulate the commodity markets, or to injure the American farmer; in fact, these figures are clearly sufficient to show that the activities of the syndicate have been most beneficial to American trade and, in particular, to the American farmer."

The testimony revealed that there was no possibility of delivering the wheat involved in the short sales but that in event of a loss in the European market this would be offset by the covering of the Chicago deal.

The firms to which he gave the orders, Mr. Beilitzky said, were J. S. Bache Company, A. E. Norden & Co., and Wachsman & Wassall.

Grain Brokers Tell Facts

Harold L. Bache, member of J. S. Bache and Company, stated that his firm was a member of the clearing house but he did not know of any report necessary by law on short sales of over 500,000 bushels in one day. He explained that his sale was handled in Chicago.

Mr. Bache said his firm's part of the sales were 2,300,000 bushels on September 10 and 11. Questioned as to whether the matter of short selling of wheat in the American market for the Russian account was taken up at a meeting of his firm's members, it was stated that the matter was discussed and considered.

The intention of selling was not to depress the market here, he said he believed, and that there could be no possible effect on the price of world markets because of these sales.

A. L. Wachsman, of Wachsman & Wassall, testified that his firm was not a member of the clearing house and therefore not compelled to report short sale transactions. He said that this was done only when requested by a Washington department. He said his firm handled 3,110,000 bushels of the short sales and had the orders executed through various Chicago sources.

This was the first grain transaction for the all-Russia syndicate in short sales, he continued and the orders covered three days. When asked what could be the reason behind the sales he said that probably it was for cash to pay manufacturers and others in the United States. He declared that short selling of this kind was "nothing more than fixing a price for futures." The transactions were purely in the nature of hedges, he claimed.

Mr. Wachsman said that if the object was to depress prices the sales would have been made "at the market." These particular orders, he said, were "limit orders," and they did not change the existing prices on the Chicago Board of Trade.

When asked if he knew the amount of wheat exported by Russia this year, Mr. Wachsman said he believed it was 20,000,000 bushels and that the total would be about 48,000,000.

Adolph E. Norden, partner in the firm of A. Norden & Co., said his firm handled 2,355,000 bushels of the short sales. He said his business was particularly in cotton. His firm was not a member of the clearing house, it was stated, and therefore not subject unless requested to making a report of short sale transactions.

The following questions, asked by congressmen, are given with the answers of the syndicate executive:

Q. "How did you decide to go into the grain business for short sales?"

A. "When our client, Chlegborg, in Hamburg, called me on the telephone and told me to sell for their account 210,000 metric tons of wheat, which is equivalent to 7,765,000 bushels. He considered it a good idea to protect Russian wheat on futures by selling ahead of time."

Q. "Is the Soviet government a grain monopoly?"

A. "The industry's properties belong to the state."

Q. "This is the first time your organization dealt in grain?"

A. "Yes."

Q. "How did it happen when the market was low that you decided to sell wheat short? You did not do it in past years?"

A. "Before the World War Russia was the bigger exporter of wheat and because of the large crop expected this year it was probably now decided to be a good idea to get an insured price."

Q. "Your corporation comes under the jurisdiction of the commissariat of commerce in Russia?"

A. "It is an independent organization supervised by the Supreme Council of National Economy."

Q. "That is under the commissariat of commerce?"

A. "The supreme council has nothing to do with that."

Q. "Do you get your orders ultimately from the American section of the commissariat of Russia?"

A. "I don't know of any such section. I have been away from Russia for four years."

Q. "Doesn't all your business come under the commissariat?"

A. "I don't think so."

Q. "From whom do you receive all your orders?"

A. "The textile syndicate in Moscow."

Q. "Who controls that?"

A. "The supreme council."

Q. "Did you receive cotton orders from the textile syndicate?"

A. "Yes."

Q. "When you came to engage in grain you received your orders from the Russian agency that controls the grain trade?"

A. "Yes."

Q. "The Soviet government owns the All-Russia Textile Syndicate?"

A. "It belongs to the state."

Q. "Why didn't you sell the wheat short in Liverpool?"

A. "I don't know, only that Chicago is the best place."

Q. "Have you made any other short sales since these?"

A. "No."

Q. "Your profit on the short sales, if any, goes to Russia and is not used in American industry?"

A. "To the syndicate in Russia."

Inquiry Launched by Grain Men, Not by Secretary Hyde

The business conduct committee of the Chicago Board of Trade considers that the short selling of approximately 7,500,000 bushels of wheat here "was not to depress the price of wheat in this country," J. S. Badenoch, chairman of the committee, told the congressional committee.

Representative Fish by his questioning brought out the fact that the board of trade itself set in motion an inquiry that preceded the telegraphic demand of Secretary of Agriculture Hyde for an investigation. John A. Bunnell, president of the board, said the short selling of 7,500,000 bushels of wheat might temporarily tend to depress prices but he declared that he saw in the Russian action no "threat to the American farmer."

Representative John E. Nelson, representative from Maine, in interrogating the witness, asked why Russia should not be allowed to sell wheat on the Chicago market and Mr. Bunnell said he knew of no reason. Then, Mr. Nelson wanted to know why the directors adopted a resolution barring such short selling by foreign governments.

President Bunnell answered that the directors of the board had acted on the advice of its committee which it had sent to Washington.

FIELD CORN IN CANS?

Some of the American cannery papers are charging, or insinuating, that a number of disreputable cannerys are eking out this year's shortage of corn by packing feed corn.

The National Cannery Association declares that the attitude of the industry toward such a practice is summed up in recent resolutions of the organization which are as follows:

"Resolved: That this association condemns the practice of canning field corn, regardless of labeling so as to technically comply with the law; and be it further

"Resolved: That any member cannery who shall in the future indulge in such practices be expelled from the association."

NORMAL TRADE FOR PLANTS PROCESSING CORN

The effect of an erratic corn market on such an industry as the Corn Products Refining Company, is reflected at once, of course, in quarterly earning statements. In spite of the high corn prices this summer, company officials expect that normal business will show up in the third quarter statement.

Record earnings in the second quarter, \$3,488,918,

were due partly to the cheap corn then available. Normally the company makes 55 per cent of its earnings in the last six months of the year.

PREVENTING SMUT IN GRAIN

A new aid for the prevention of smut in grains has recently been developed by a farming company of Kansas. This invention, an automatic smut treater, can easily be built into an ordinary grain elevator where it will treat wheat with copper carbonate or any other chemical used in the process at the rate of 100 bushels every 10 minutes.

Smut treatment has long been advocated as means of obtaining a higher grade of seed wheat and also preventing heavy losses through dockage of smutty grain. Besides saving grain, smut treated seed produces cleaner and higher yields.

The treating of the grain is now a new idea, but formerly has been done by small treaters which were both expensive and dangerous. The small volume of grain treated raised the cost of the operation, while the fumes of the chemicals used are quite dangerous and likely to be inhaled by men working around small treaters and shoveling treated grain.

Treating Entirely Automatic

By this new method invented by J. S. Bird, president of a Kansas wheat farming company, the



TRUCK RECEIVING LOAD OF TREATED WHEAT

treatment is entirely automatic, the grain being mixed in a long pipe with baffles while being loaded in the truck. A great canvas cover entirely closes the truck body while the grain is being loaded and prevents the fumes from escaping. The action of the treater is seen in the accompanying illustration.

This particular company has installed these automatic treaters in all of its elevators at Page, Wallace, Hays, and Weskan. In an effort to promote a higher and cleaner grade of wheat in western Kansas, the company is treating grain for all farmers in the community who bring their seed to the elevator charging only a nominal sum to cover the cost of handling.

CO-OP LEADERS CLASH ON ANTI-FARM-BOARD LETTER

C. H. Bonnell, president of the Illinois Farmers Grain Dealers Association, has denied the authority of R. E. Orndorff, vice-president, to issue, for the association, his letter of October 2, which attacked the Federal Farm Board's methods of disrupting the independent farmers' elevator organizations.

"Marauding bands" of Government-paid agents, the letter to members explains, are now harrassing the independent elevators in an effort to swing them into the federal organization.

This action, according to the letter, places the farm elevators of the Middle West—5,000 strong—

in constant danger of disruption despite the fact that half a million farmer stockholders are practically all satisfied and their elevators have paid them a greater profit than all other agricultural associations combined.

"This is the sort of business which the hirelings of the Farmers National Grain Corporation, the farm board subsidiary, and its regionals are trying to control or destroy with huge government funds," says the letter. "No telling what constructive business will be attacked next and the American business world should be aroused to the grave danger. Farm board policies are socialistic."

Recently, considerable feeling has developed between the Illinois Farmers Grain Dealers Association and the rather involved line-up of farm-board-sponsored organizations and their affiliates. The Illinois Farmers Grain Dealers Association is at odds with the Illinois Agricultural Association whose interests are linked with the farm board.

The recently formed Illinois Grain Corporation is a stockholder in the Farmers National Grain Corporation and has the Midwest Grain Corporation as a grain selling affiliate.

The Illinois Agricultural Association has bought \$10,000 of stock of the Illinois Grain Corporation which borrows from the farm board. The farm board is also represented by the Farmers Union, a unit of the National Farmers Union. The Farmers Union and the Illinois Grain Corporation are commonly interested in endeavoring to win independent interest over to the Government-sponsored line-up.

FACTORS THE CORN BUYER MUST CONSIDER

A grain buyer for an eastern feed company, recently described a few of the routine problems encountered in selecting corn from samples, and illustrated how deceptive the appearance of various grades may be at times.

"It is surprising sometimes, to the man who is not an expert, to look at samples of No. 1 to No. 5 corn," he said. "Many a man who has grown and fed corn will pick No. 5 as the best. Containing more moisture, it is the plumper grain, yet it is not nearly so good. This shows the need of taking advantage of expert buying. Let's do a little figuring and see what the difference between No. 1 and No. 5 corn could be. In the first place, there could be 7½ per cent more water; 4 per cent more foreign stuff, and 8 per cent more damaged grain, making a total of 19½ per cent that has no feeding value.

"That is nearly one-fifth off. In round figures, with corn at \$1 a bushel, 19½ cents off, might make the difference of from \$7 to near \$10 a ton on the actual value of these two grades of corn. This amounts to as much as 50 cents a bag in actual feeding value on two grades of corn that are indistinguishable to the novice."

SHIPPING GRAIN DIRECT TO REDUCE FREIGHT COSTS

An unusually interesting and timely bulletin, especially for middle western elevator and grain men, dealing with the procedure in shipping grain direct from producing to consuming points without the usual stop at terminal markets, has been prepared by the Illinois Experiment Station. In it, the attention of middle western, and particularly Illinois, grain men is called to the fact that the emergency rates now applying on grain going to certain parts of the country, due to the drought, are of particular advantage in using the plan outlined in the bulletin. Briefly, it is as follows:

Advantage of Direct Selling

Much grain used as feed in the dairy section of northern Illinois, for example, is purchased on the Chicago market. Some of it originally comes from shipping points in Iowa. The transportation charges on a direct haul would be much less than they are when the grain is taken into the terminal market and then hauled back.

To pursue this example further: Scales Mound,

in northwestern Illinois, is in a dairy section into which much feed is usually shipped. Cars of grain bound for Chicago go right through this station. The rate on corn from Masonville, Iowa, to Chicago is the same as that from Masonville to Scales Mound, which is 17.5 cents per 100 pounds in carlots. If, however, the grain goes to Chicago and is then hauled back, there is an additional freight charge of 13 cents per 100 pounds. According to these figures, the freight charges on an 80,000-pound car of grain from Masonville to Chicago would be \$140, and from Chicago to Scales Mound an additional \$104, making a total of \$244 paid out for transportation charges from seller to buyer. On the other hand, the total freight charges direct from Masonville to Scales Mound would be \$140 on this same car of grain delivered to the buyer in Scales Mound.

Manifestly, if feeding requirements can be filled by purchasing direct from the producing section,

there is a distinct saving to be made on freight charges. Similarly, there are places in southern Illinois and in neighboring states to the east and south where feeding requirements exceed the amount of grain produced locally and to which grain may be economically brought direct from the great surplus-producing area of east-central Illinois.

While freight charges comprise the major cost item of handling grain, direct shipment offers additional opportunities of avoiding, directly or indirectly, such items as commissions, switching charges, and cost of handling through terminal elevators. There is the further advantage that country-run grain of specified grade usually is of better average quality than grain of the same grade that has been mixed out of a terminal elevator.

While the majority of grain must of necessity pass through terminal elevators, the Illinois station recommends more direct shipping wherever it is at all possible.

200 Per Cent Gain in Wheat Acreage: New Elevator

By KENNETH FORCE

THE Farmers Co-operative Association of Alamota, Kan., in the heart of the wheat belt of western Kansas, this year completed a 55,000-bushel elevator to tower above its former two plants of 10,000 and 5,000 bushels each.

Although Alamota cannot boast of a large population, the co-operative elevator attracts farmers



CO-OPERATIVE ELEVATOR AT ALAMOTA, KAN.

from a territory extending, roughly, 20 miles to the south and 10 miles north, east, and west—indicating that as a business organization of farmers, the association has done its work satisfactorily to everybody, and that it has achieved the success it has worked hard for since 1915.

The new 55,000-bushel building was erected as the result of the two things: The company's increasing volume of business and a 200 per cent increase in wheat acreage which has been made by farmers in that section. More wheat is being raised and more is being handled by this co-operative organization.

C. D. Sharp, who has been with the company for 14 years, is the manager. Other officers of the organization are all farmers and wheat growers from the Alamota territory. F. W. Perrigo is secretary; G. E. Mudd, president; and the following are directors: D. O. Durr, Ed McLeish, and J. W. Thomas. The association has had practically the same officers since the start and there has been little difficulty experienced since its organization in 1915.

The new building is 32 by 34 feet, and rises 52

feet to the first roof, with the remaining distance to the cupola 24 feet. It is of crib type construction. It contains 12 bins of which five are overhead and the rest deep bins. The new building has a loading capacity of over 3,000 bushels per hour, and a receiving capacity of 3,000 bushels per hour. Although it has no regular cleaner, it does have a suction type machine that cleans the grain as fast as it is elevated. The Santa Fe is the elevator's only railroad, but a 400-foot extension was built on the elevator's switch this spring to carry more cars.

A 20-horsepower Fairbanks Morse Motor is the type of prime mover used. Drive is of rope and about 80 foot of manila, 1¼-inch, is used. Control is by clutch.

The unloading device is a dump sink from railroad cars. Although terminals possess more elaborate devices, the simpler ones adequately meet the country elevator's needs. Weighing is done with a 10-bushel automatic Richardson Scale. Fire extinguishers and water barrels comprise the fire protection. There is also a truck dump, a man lift, a steel grate, and a 15-duct distributor. An 8½-inch well casing is used as a grain spout to cars.

Wheat is the main crop handled, although the company deals to some extent in corn, barley, and oats. Some cain seed is also handled.

Handled Over 500,000 Bushels

In 1928 the company handled over 500,000 bushels Flour, feed, coal, mill feeds, salt and poultry feeds are handled with coal the most profitable and feeds a close second. Manager Sharp has observed a constantly increasing demand for poultry feeds and the company is handling more of these every year.

The company was formed in 1916 as the result of the growing desire on the part of the farmers in the district to receive the dividends from margins on grain. The new elevator was built in March and April of this year.

The company also has a 10,000-bushel and a 5,000-bushel elevator, with the former of which it started out on its career. The 10,000-bushel unit now is employed as an auxiliary storage elevator for wheat during the rush season and for barley and grains the rest of the time. The 5,000-bushel house is used only in case of an emergency. Both are of frame-studded construction.

GOVERNOR ERICKSON, of Montana, declares: "It costs the grower from 25 to 30 cents a bushel in freight and other charges to transport a bushel of wheat to the terminal market."

ACCORDING to revised and final figures, there were 149,606 carlots of wheat examined by licensed inspectors in all United States markets during July, 1930. Of these 10.4 per cent, or 15,513 carlots, graded smutty.



Published on the Fifteenth of Each Month

BY

Mitchell Brothers Publishing Co.

OFFICE:

Manhattan Building, 431 South Dearborn St.
CHICAGO, ILL.

New York Representative: E. M. Roberts, 587 Riverside Drive
Telephone Edgcomb 7172

Subscription Price - - - \$1.00 per Year
English and Foreign Subscription 1.75 " "

ADVERTISING.

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We solicit correspondence upon all topics of interest connected with the handling of grain or cognate subjects.

Official Paper of the
Illinois Grain Dealers Association

CHICAGO, ILL., OCTOBER 15, 1930

Expressions of sympathy have been received at this office from hundreds of individuals, associations, and companies in the grain and milling industries since the death of Arthur J. Mitchell, president of Mitchell Brothers Publishing Company, on September 25. Each one of these messages is deeply appreciated. The business associates of the deceased, and those of his family connected with the company, gratefully acknowledge these tributes to his memory.

THE GREAT RUSSIAN PLOT

POLITICAL reasons why our Government's secretary of agriculture, Mr. Hyde, should attempt to use the recent soviet short-selling episode as a smoke screen to hide the administration's failure to bolster grain prices, are quite obvious. It is more difficult to explain the attitude of Alexander Legge, farm board head.

Before becoming chairman of that ill-fated Federal board, Mr. Legge had a broad business contact with agriculture. Yet influences at Washington, D. C., or other considerations more difficult to comprehend, led him to declare in a burst of almost soap-box oratory: "There is no relation in this selling activity on the part of Russia to any commercial transaction. The possibility that Russia is hedging or trying to fix a price against something she has to sell is contrary to apparent facts."

Can it be that Mr. Legge does not know

that, for years, Canada and Argentina have been among the foreign sources of wheat selling orders on the Chicago board? Canadians and Argentines, of course, never have had intention of actual delivery in the Chicago market, but all such transactions are legitimate, ethical, and plain, good business. They are the simplest type of hedging transaction, exactly the same in principle as those executed every day in the year by elevator owners who intend eventually to deliver their wheat to mills and not to the board of trade.

GRINDING IT FOR FEED

TECHNICAL data on just how wheat may be ground and proportioned to best advantage for feed appear in the Hay, Straw and Feed department of this issue. The timely material offered there is of far more importance than any serious debate on the subject of feed wheat totals for the current season. The feeding value of wheat can be ruined by improper grinding, or rendered only half-useful by careless compounding with other ingredients.

Estimates on the subject of feed for wheat started out very conservatively. The man who originally suggested that 65,000,000 bushels of wheat would be used for feed this season now blushes with shame. The ante was raised in almost no time to a minimum of 90,000,000 bushels.

Even the cautious statistical sages of La Salle Street now maintain that 120,000,000 bushels of the bread grain out on the 1930 feed lot can be expected.

The better results which feeders get from the use of wheat, the more and the longer they will use it, providing the price is reasonable. It is thus to the advantage of every elevator manager—whether his contact with feeders be on a retail or wholesale basis—to see that feed is correctly used in his trade area.

FOR THE ENTIRE GRAIN TRADE

COMPARED with the great number of terminal grain market representatives attending the Grain and Feed Dealers National Association's thirty-fourth annual convention in Chicago, October 13 to 15, the attendance of country elevator shippers was small. Yet the problems dealt with on this occasion were of vital interest to the whole trade.

For this reason, our report of the association's proceedings this year is, as usual, absolutely complete. This is possible through the splendid co-operation of the association with our own staff, and an index to the value of the result lies in the fact that every member, through the association, will be furnished with a reprint of the report appearing in this issue.

Specifically, the report is of value because of the information it gives on such matters as proposed legislation affecting the trade; 116 such bills were introduced into the national congress in the past year. Every dealer should be posted on the latest developments as to these bills. Of particular interest is the

emphasis on the common problems confronting the grain handling and feed handling industries.

More and more, the interest of country elevator firms and terminal grain corporations is being bound up with feed. On this subject there is a wealth of material in the report.

CEREALS AND CIVILIZATION

HISTORIANS, having largely exhausted the sources of information represented by hieroglyphics and other ancient code writings which described civilization as it existed over 4,000 years ago, now are turning to wheat as the principal clue to the location of the earth's oldest race of civilized people.

In outlining the theory which modern students are following in their search for the real "cradle of civilization," J. B. S. Haldane says in a recent issue of *Harper's* magazine: "Civilization is based not only on men, but on plants and animals. It needs a cultivated plant giving high yields of *storable* food, an animal to carry loads, and a plant source of fiber.... Hence, if it is possible to determine where cereals and cattle were first domesticated, we shall have gone a long way toward tracing civilization to its source."

Great progress already has been made. Vavilov and other European scientists are tracing grain production far back into primitive societies, and their data on wheat already is being released. There are two distinct types of wheat which can be hybridized only with difficulty. Their cultivation now extends, of course, into all continents, but each can be traced, according to Vavilov, to a definite center. One of these centers is in Abyssinia, and the other, from which the more important wheats have sprung, is in or near southeastern Afghanistan. The former center is taken to be the original home of the grain that led up to the building of Egyptian civilization, while the latter is supposed to be the source of the more important wheat varieties grown in Europe and the Americas today. Rye and flax, incidentally, seem to be of Afghan origin.

The archaeology of these regions where wheat, the civilization builder, seems to have been born, is practically untouched, but proposed excavations should yield extremely interesting facts.

GRAIN AS AN INVESTMENT

LEVELS on which wheat prices now rest, according to the theory advanced by Chairman Legge, of the Federal Farm Board, are so low that investors are being drawn into the market. This new class of buyers, he contends, is a shrewd lot, industriously salting away their commitments against the time when normal price levels will be regained.

There is no doubt that wheat, the world's great food staple, is a fundamentally sound investment. Yet the restrictions imposed on its market operation by Government supervision, and the hazards lately introduced by farm board tactics which have tended to undermine confidence in the regular grain trade,

naturally operate as a "Danger-Stay-Away" sign to investors with large funds at their disposal.

Had there been a free and open market for grain, the investment buying of wheat on a large scale probably would have progressed rapidly this summer, in anticipation of a logical fall and winter price climb. But shot through and through with Federal interferences as the grain market is, investment cash has been diverted, warily, to less troubled sectors of industry.

Although conditions this year have offered unusual attractions to grain buyers, the turnover on the Chicago Board of Trade in the first eight months has been some 2,000,000,000 bushels less than in the same period a year ago, a decline of more than 13 per cent. Federal regulations must be held responsible in no small degree. Buying has been discouraged and prices have reflected the lack of interest.

EDITORIAL MENTION

A tactless individual has suggested that a satisfactory abbreviation for the Governmentally cumbersome name, Farmers National Grain Corporation, would be f. N. G. c.

The first cargo of wheat sent from the Pacific Coast by the Federal Farm Board's agency was in a British freighter. No doubt this gave officials of the United States lines something to ponder. They are urging private grain exporters to use their Pacific Coast-European freight service of the U. S. lines whenever possible.

D. B. Redler, governing director of the Tiger Oats Company, Ltd., of Cape Town and Moorreesburg, South Africa, was a recent caller at this office. He reports that grain trade and milling activities in his country are flourishing and his optimism is borne out, incidentally, by October arrivals of South African corn cargoes at our eastern seaboard.

For the country as a whole, present prospects indicate a hay crop of about 90 per cent normal, and a feed grain crop of more than 80 per cent normal, based on the five-year average. Although there is an unusual and acute shortage of hay and grain in many places, there are many ways in which the supply can be supplemented if state agencies continue to co-operate with dealers.

Just how well the Federal Farm Board stands with certain co-operative organizations supposed to be distinctly on the farm board's side of the fence, is revealed in a broadside circular issued by the Farmers Grain Dealers Association. The gist of the whole indictment is suggested in the introduction which asks: "Are some of our 'farm relief leaders' working for Russia or the American farmer? Will the Americanization of Russian wheat production, Russianize American institutions? It looks

that way. No farm board leader should be allowed to reap huge profits from the mechanizing of Russian agriculture. . . ." This thinly veiled attack on the farm board's chairman, Alexander Legge, formerly head of the International Harvester Company which is now supplying much farm machinery to Soviet Russia, is hardly justified. If American firms did not supply harvesters to the soviets, manufacturers in a half dozen other countries would jump at the chance to do so. The independent grain trade, in its opposition to Mr. Legge and his policies, need not turn to Russia for ammunition. In over a year of downright farm board failure, and in the patent unfairness of the law Mr. Legge undertakes to uphold, there is ammunition enough—and within arm's reach.

CROSS SECTION NOTES ON THIS ISSUE

Complete record of the thirty-fourth annual convention of the Grain and Feed Dealers National Association at Chicago October 13 to 15: Beginning on Page 215.

How the most may be made of wheat as feed: Pages 211-213.

100 Per Cent reclamation of five cars of Manitoba "unfit for human consumption": Page 197.

A new "co-op" elevator: Page 199.

Pointers on drying grain at the country elevator: Page 196.

The photo-electric cell in use in a new elevator: Page 196.

Dialogue developed at official inquiries into Soviet Russian short-selling activities: Pages 197-8.

The background of facts in the Russian grain situation: Page 200.

Grain-shipping theories evolved at the Illinois Experiment Station: Page 199.

News Letters: Beginning on Page 204.

Note: Emergency rates on feed to drought areas will be extended, in all probability, past October 31, the date originally set for their expiration.—How grain dealers are participating in feed distribution under these rates: Pages 213-4.

News of the Terminal Markets: Page 202.

Official standards for soy beans, and other data for the bean elevator operator: Page 214.

The influence of big operators in speculative markets is frankly featured in a report to the United States Senate by the secretary of agriculture, in response to a resolution adopted February 21, 1928. This report, now made public, covers a period from February 26 to November 1, 1927, during which there was a suspension of individual reports by traders on the various grain exchanges, required under authority of the grain futures act. It was found that 44 per cent of all trading in Chicago wheat futures and 32 per cent of all the trading in corn futures in this period was for the account of large traders located in Chicago, that is, those who had an open interest of 200,000 bushels or more. The report states that during

the period that the reporting requirements were suspended there were seven speculators who at one time or another had each a net position in a single Chicago wheat future amounting to 2,000,000 bushels or more. . . . In our crude way, we would like to inquire how this detailed report was possible if the reporting requirements of big traders really were suspended during this period.

A deserted elevator usually has no excitement to enliven its old age, but the one at 1911 North Laramie Avenue, Chicago, recently proved to be an exception. A raiding squad sired up to its door, entered the premises, seized a \$75,000 still, three tons of corn sugar, 45,000 gallons of mash, and having thus distinguished the property as a landmark of no little consequence, departed into the night.

The economic committee of the League of Nations is considering a series of conferences to discover new industrial uses for wheat. No particular harm can come of such a program, but perhaps a more useful procedure would be to help re-establish wheat in its normal service as food. If the consumption of wheat during the last two years had been on a pre-war basis, there would be no such burdensome surplus as afflicts the market today.

A. J. Stoliaroff, board member of the Soviet Russian government grain and milling trust, Sojuskhleb, Ltd., of Moscow, while calling at this office this month, had no secrets in regard to possible grain export totals from his country to impart. It is doubtful if the highest grain trade executives of Russia themselves know even the approximate limit of their own strength and weakness in connection with their grain exporting campaign. Mr. Stoliaroff is in his thirties, smiling, yet very much in earnest. His grain trade career began in humble capacity under the regime of the czars, and except for his technical knowledge of grain, he probably has had a lot of things to "unlearn."

The Chicago Board of Trade has decided to prohibit the selling of futures by any foreign government. This position is taken following the views expressed by Mr. Hyde, Secretary of Agriculture. As we have previously pointed out, it is very undesirable that governments, with their unlimited resources and political motives, should operate against private business concerns in the same markets. Rather than that special restrictions should be imposed on marketing, however, it would be better if all governments would decide to stay out of the grain business altogether. There are dangers in placing limitations on trading, for selling cannot be restricted without also restricting buying. What the grain markets need at the moment is normal trading, which would mean more buying. It is to be hoped this period of alarms and confusion will speedily pass and allow business to right itself.—*Market News, (Winnipeg.)*

GEO. B. WOOD
BuffaloW. W. DEWEY
Peoria

NEWS OF THE TERMINAL MARKETS

A WARNING

Lest some member forget his responsibility in maintaining the integrity of the Board of Trade as an open market where supply and demand are truly reflected in prices, the directors last month ordered that a copy of Rule 143 be sent to each member.

143. DEMORALIZATION OF MARKET.—Purchases or sales of commodities or securities, or offers to purchase or sell commodities or securities, made for the purpose of upsetting the equilibrium of the market and bringing about a condition of demoralization in which prices will not fairly reflect market values, are forbidden and any member who makes or assists in making such purchase or sale or offers to purchase or sell with knowledge of the purpose thereof, or who, with such knowledge shall be a party to or assist in carrying out any plan or scheme for the making of such purchases or sales or offers to purchase or sell, shall be deemed to be guilty of an act inconsistent with just and equitable principles of trade.

FOREIGN AGENTS

President Bunnell recently appointed a committee consisting of Joseph P. Griffin, Fred Uhlmann and James W. McCulloch, to give a report on the status of foreign agents and solicitors, and the following report was approved by the directors:

The special committee which you appointed to consider the subject of foreign business and foreign commission rates has met and begs to report that, in its opinion,

(1) Because the tax laws of many foreign nations are so burdensome that it is not practicable for members to open foreign branches, we recommend that a new Regulation 1609 similar to the following be adopted:

1609. FOREIGN AGENTS AND SOLICITORS.

Members are permitted to make their own arrangements with agents and solicitors whose place of business and customers are located outside the United States and Canada, providing, however, that no arrangement so made shall, under any circumstances, allow a commission of less than three-eighths of a cent per bushel for non-members and one-quarter of a cent per bushel for members on transactions mentioned in Rule 231 (b). No member shall be permitted to make any arrangements with an individual, as a foreign solicitor or agent, who is a trader for his own account whereby such an arrangement results in giving to the agent a lower commission than he would otherwise enjoy.

2. The committee agrees with the interpretation of the Rules Committee that where a foreign non-clearing member turns over to a clearing member future delivery orders of a non-member, (free from expense to the clearing member) the clearing member shall receive one-quarter cent out of the three-eighths of a cent commission paid by the foreign non-member for the execution of such orders. The brokerage shall be paid by the clearing member. When instructed, the clearing member may render accounts direct to the foreign non-member and in this case, one-half of the regular brokerage charges shall be paid by the foreign non-clearing member turning over the order. Said foreign member shall guarantee due performance of said foreign non-member customers' contracts.

LIGHT MOVEMENT AT PEORIA

Wheat: Practically no wheat moving from this territory, large stocks in all terminals, no export wheat being sold from this country as our prices are considerable above other exporting countries. New crop going in under very favorable conditions, some coming up and looks fine.

Corn: Receipts are just about equal to the demand, which is not at all promising, country selling a little more as the prices decline and the new crop husking is in progress. Yields of the new crop which have arrived here so far, run from 33 to 60 bushels to the acre. Out cash market is fairly well

in line with other competing markets. We look for a fairly good demand to continue.

Oats: Very light movement, demand at present not very good, industries and storage carriers seem to be about the only ones interested. We look for a fair demand.—*Mueller Grain Company, Peoria, Ill., letter of October 11.*

ELECT A. P. WHITE PRESIDENT OF WINNIPEG EXCHANGE

At the annual election of officers last month, A. P. White, known to the grain trade of both the United States and Canada, was elected president of the Winnipeg Grain Exchange, succeeding W. A. Murphy. Ernest S. Parker and A. C. Reid were named vice-presidents, this being the second consecutive term for the former. The following were chosen to form the council of 12 for the exchange:



A. P. WHITE

N. J. Breen, J. A. Crowe, R. T. Evans, J. C. Gage, Henry Gauer, C. E. Graham, C. E. Hayles, John W. Horn, D. C. MacLachlan, W. A. Murphy, W. Pope, and R. C. Reece.

Mr. White, the new president, was born in Winnipeg in 1882 and has been connected with grain trade in that city since 1901 when he entered the employ of the Northern Elevator Company as a clerk. In 1908 he was appointed office manager of O'Brien & Martin and in 1914 when the firm was changed to Clark & Martin he became a partner. Mr. Clark has since died and Mr. Martin retired from active business at the end of last August, but Mr. White, who is only 48, is continuing the business under the old name of Clark & Martin.

NEW CORN GOOD, BUT HOT

Regarding the cash situation on grain in Peoria will say that it is not in very good shape. Some of the industries are running pretty well and are now using around 50,000 to 60,000 bushels daily. The corn receipts have been very light and it appears as if the industries cannot be very heavily stocked on corn here. However, they get what they want from day to day, either on the spot or to arrive. Practically all old corn.

Prices here have not been especially good, though

in fairly good line with other competing markets. Some new corn is coming from day to day. There were four cars here today—two of which were No. 5 Yellow and sold at 74 cents—one No. 6 at 72 cents and one Sample Grade 24.4 per cent moisture and heating, sold at 65 cents. The quality of the corn is all good, heavy corn but the weather, 85 degrees today, is entirely too hot for anyone to attempt to move new corn. Some that was sold yesterday was delivered at industry today and was hot, very hot. Naturally, there is some hesitancy on the part of the industries to buy it.

We think shippers should wait until the weather turns reasonably cool before attempting to move new corn—otherwise, there is liable to be some disappointment in the out-turn.

Oats are coming in a few cars daily and the futures are now selling right down to the bottom of harvest time prices. We imagine when it gets cold the situation will change somewhat and we are expecting much better values in oats with probably some lessening of values of corn whenever the new corn moves in reasonable proportions.—*P. B. & C. C. Miles, Peoria, Ill., letter of October 11.*

CHICAGO FUTURES TRADING IN SEPTEMBER

The Chicago grain futures market was off sharply in volume during September as compared with August, but it was larger than September of last year. The total for the month, all grains, was 1,553,071,000 bushels while in August totals reached 2,053,257,000 and a year ago 1,548,261,000.

The total figures were divided among the various grains as follows (for the purpose of comparison the figures for August being given in parentheses): Wheat 1,011,772,000 bushels (1,264,132,000); corn, 404,731,000 bushels (571,477,000); oats, 71,652,000 bushels (156,736,000); rye, 44,916,000 bushels (59,912,000).

Average open contracts on the Chicago Board of Trade for September, "short" side of contract only being given, there being an equal amount on the "long" side, were: Wheat, 160,498,000 bushels, compared with 227,863,000 last year and 141,543,000 in August; corn, 49,948,000 bushels, as against 46,419,000 a year ago and 46,228,000 last month; oats, 47,969,000, compared with 47,772,000 last year and 36,624,000 in August; rye, 19,766,000 bushels, as against 15,000,000 a year ago and 18,542,000 in August. The total average open contracts for September were 278,180,000 bushels.

ILLINOIS CONDITIONS GOOD

Just enough rain past week to keep pastures in fine shape and the leaves on the trees green; to prevent much progress in harvesting soy beans or shucking corn. The Government report issued this week promised a crop larger than expected by many but about in line for Illinois with forecasts made in our letters of past two months. It looks to us that income of our central Illinois farmers from hogs, poultry and grains, if sold around present prices, will keep Mr. Wolf at quite a distance from the kitchen door this year.

There is much discussion yet as to average yield of corn in this section—Rains have prevented much shucking yet; so we are content to reiterate our previous estimates of two-thirds an average crop. Enough examinations have been made to disclose the facts that cobs and ears are smaller than usual,

the kernels sound. Samples testing 22 per cent moisture also test 55 pounds per bushel, indicating that this season we will have good sound, heavy corn such as we have been able to supply the mills with from the 1929 crop and that some No. 3 corn may be expected next month.

The bill-boards in California display the slogan "Work more, eat more, spend more"—Another way of promoting prosperity.

The soy bean yield, like wheat, corn and oats, in this section is exceeding early expectations.

Here are the figures describing a car of new Yellow corn in Decatur today—Grade 4 Yellow, moisture 18.4; damage 2.4; test weight 55.5—Wonderful for October 11.—*H. I. Baldwin & Co., Decatur, Ill., letter of October 11.*

SOFT RED WINTER IN GOOD DEMAND

During the light movement our Indianapolis receipts have held up fairly well. Good demand for No. 1 Soft Red Winter wheat which is selling around 10 cents over the December delivered Ohio River rate points. The demand for corn has been rather erratic. In spite of light receipts there has been plenty of corn to go around.

We haven't had a real urgent demand for oats but what few cars are coming in each day are selling at about the commission difference over bids for shipment.

We have had a few cars of new corn in our market but we figure it is a little too early to ship new corn. There is plenty of old corn and we would rather see new corn shipments delayed until the corn gets in better condition. A few scattered cars of new corn are hard to place because those in position to dry corn are not inclined to start their driers for single car lots.—*The Cleveland Grain Company, Indianapolis, Ind., letter of October 11.*

RESTRICTING DELIVERIES AT CHICAGO

Members of the Chicago Board of Trade have placed their approval upon amendments to the rules, suggested by Department of Agriculture officials, whereby buyers will be favored in this market.

The amendment reducing the number of grades of wheat deliverable on contracts was passed by a vote of 492 against 350, while the amendment providing that delivery of grain in carlots will be permitted only during the last three business days of the delivery month passed by 513 to 330.

The latter amendment takes from the directors of the exchange the power to declare an emergency and make carlot deliveries on track regular at other periods.

Contract grades of wheat are reduced from 17 to 9 by the changed rules and the three No. 3 grades of corn become deliverable only on December contracts. Oats, rye and barley grades deliverable are not changed.

Beginning October 7, trading was in both old and new contracts. The changes became operative immediately on all contracts designated as "new contracts," and on all contracts for delivery after June 1, 1931.

All grades of wheat that sell at a discount under contract price are not deliverable under the new rule.

CHANGES IN MEMBERSHIP

Chicago.—The following have been admitted to membership on the Chicago Board of Trade: Albert M. Adams, John F. McGuire, Jesse D. Scheinman, Harris, Hyman, Jr., Nelson A. Whitman, James L. Martin, James H. Wooldridge, Joseph Kahn, and Lee H. Wagner. The following memberships have been transferred: Wesley S. McClean, estate of Frederick K. Pulsifer, Lewis K. Neff, John Y. Meloy, Jr., Charles F. Hanson, William F. Roberts, Issac W. C. Solloway, Henry F. Booth, and Wirt D. Walker.

Duluth.—The following have been admitted to the Duluth Board of Trade: J. M. Ericson, A. B. Starkey, and J. A. Johansen. E. J. Wenzel is no longer a member.

Milwaukee.—The following have been admitted to

the Milwaukee Chamber of Commerce: George S. Milnor, James E. O'Brien, John H. Caldwell, and Charles A. Zinn.

New York.—George Bingham, Reisuke Ishadi, and Isaac J. Sherman have been admitted to the New York Produce Exchange.

Philadelphia.—Fred S. Griffin and John C. Morris have been admitted to the Philadelphia Commercial Exchange.

St. Louis.—New members of the St. Louis Merchants Exchange are: Fred J. Thatcher, Charles P. Cummings, Gustave Eisemann and Clayton C. Veninga. Those withdrawn are: Julius Postel, Martin Huber, B. H. McFadden, and Clarence Sears.

GOOD WHEAT MARKET AT TOLEDO

For the past few weeks receipts have not been heavy and there has been no accumulation. Cash prices have held relatively firm as compared to the option, and there has been a fairly ready market for the light receipts. Can see no reason why this situation should not continue. Mills have been very good buyers of wheat and are in the market for more.

Rather believe that cash prices will probably show continued improvement.—*John Wickenhiser & Co., Toledo, Ohio, letter of October 11.*

TERMINAL NOTES

Wheat clearances through the port of Galveston from July 1 to October 1 totaled 16,435,000 bushels, being 4,540,000 bushels more than for the same period last year.

Kansas City received the first car of new crop milo late in September, the shipment coming from Texas. It graded No. 1 Yellow and tested 58.3 pounds, with moisture of 12.8 per cent.

Total deliveries of wheat on September futures contracts on the Kansas City Board of Trade amounted to 502,000 bushels, while corn tenders were 171,000 bushels during the month.

The Omaha Grain Exchange held its annual outing and field day at the Happy Hollow Club early last month. The festivities of the afternoon were brought to a successful close with a dinner at the club.

Harris, Upham & Co., grain and stock brokerage firm of Kansas City which succeeded to the business of Strandberg, McGreevy & Co., moved into new quarters in the Carbon & Carbide Building recently.

The Shellabarger Grain Products Company, of Decatur, Ill., announces that it has opened a grain department in connection with its soy bean business. C. L. Leiss has been placed in charge of the new division.

John Hayes, of the John Hayes Grain Company, Wichita, has closed his offices and retired from the grain business. He has been identified with the grain business in Wichita and Hutchinson for a great many years.

The marketing bureau of the Missouri State Board of Agriculture is broadcasting instructive talks weekly on Missouri Soft Winter wheat over WOS, Jefferson City, by State Marketing Commissioner C. P. Anderson.

T. W. Hall has resigned as vice-president and general manager of the St. Anthony & Dakota Elevator Company, Minneapolis, after 37 years of service with the concern. He is succeeded by George K. Labatt, former treasurer.

On September 29, exchanges all over the country which had been operating on daylight saving time switched back to central standard time. This is always a sure sign that summer is ended and winter is just around the corner.

W. R. Bawlf was elected president of the Winnipeg Grain and Produce Exchange Clearing House Association at the annual. He succeeds Ernest S. Parker, C. C. Field was named vice-president and C. Tilt secretary-treasurer.

The services of Dr. D. A. McGibbon, of the Board of Grain Commissioners for Canada, Win-

nipeg, have been secured for the Imperial Conference in London this month where he will act as grain expert, representing the Canadian government.

Renewed interest in Milwaukee Chamber of Commerce memberships is being shown by Wisconsin security houses as a result of the vote by members to establish a securities market. Memberships were being quoted at \$250 early in the month.

The *Chief Capilano*, reported to be the third largest freighter in the world, recently sailed from Vancouver to Shanghai with the largest single cargo of wheat ever shipped from the former port, the volume being about 440,000 bushels.

The Drum and Bugle Corps of the Chicago Board of Trade, Post No. 302 of the American Legion, was in Boston early this month attending the annual gathering of the American Legion which wound up in such a spectacular manner.

The Vancouver Merchants Exchange moved into its new quarters in the Marine Building on September 29. The official opening was not held until October 8 at which time a portrait of King George of England was presented to the exchange by Lloyds.

The Kansas City Feed Club held its annual outdoor party and banquet at the Hillcrest Country Club the middle of September. Approximately one-third of the 160 members and guests present participated in the golf and horseshow pitching contests.

The Boston Grain and Flour Exchange has appointed a general committee on entertainment to look after visiting legionnaires who may accept the hospitality of the exchange while at Boston attending the annual convention of the American Legion this month.

The Kansas City Grain Club held its annual dinner at the Kansas City Club on October 6. W. A. Cochel, editor of the Weekly Kansas City Star, was the principal speaker. Mr. Cochel, who recently returned from a tour of Europe, spoke on "Russian and European Conditions."

During the latter part of last month Duluth-Superior grain elevators contained more than 40,000,000 bushels, the largest in the history of the market, but still about 5,000,000 bushels below capacity. The additions to elevator capacity in the past several years have made this possible.

A. A. Ryer, manager of the Portland office of the Farmers National Grain Corporation, has been elected a director of the Portland Grain Exchange, succeeding S. C. Draper who resigned. The Portland exchange is the first in the United States to place a farm board representative on its board of directors.

The Hutchinson Board of Trade has filed a petition asking the Interstate Commerce Commission to re-open the rate structure investigation for the purpose of altering the schedule of grains announced July 1. Argument is that Hutchinson, with 9,000,000 bushels of storage space, is entitled to as much consideration as markets which have a primary rating.

The new grain storage facilities of the port of Tacoma, Wash., have been approved as a regular point for operations on the Seattle Grain Exchange, according to an announcement by the latter organization. Addition of Tacoma storage (about 1,000,000 bushels), it was pointed out, will allow a more broad delivery of grain marketing possibilities by switching warehouse receipts between Seattle and Tacoma, allowing mills to get delivery as desired.

Fred Uhlmann, president of the Uhlmann Grain Company, Chicago and Kansas City, told his son, Richard Uhlmann, over trans-Atlantic telephone, that there is nothing unusual in the Russian wheat marketing situation and that Russia would export a minimum of 50,000,000 bushels of wheat. "Russia is capable of nearly doubling that figure in case of necessity," Mr. Uhlmann said. "Current small wheat purchases by Europe from the United States are due to decided lack of buyer confidence in stability of prices, which foreign buyers feel may go still lower."

NEWS LETTERS

INDIANAPOLIS

H. M. RUDEAUX CORRESPONDENT

MADISON COUNTY corn growers have indicated they will respond liberally to the proposal that farmers of central and northern Indiana, who will have more 1930 corn than they will need, each contribute at least one bushel of seed corn for farmers in southern Indiana whose corn crop was ruined by drought. The response in Madison County promises to be more than asked, for many of the corn growers have announced that they will select the corn, grade and dry it and that it will assure good seed for southern Indiana soil. Madison County will have a much better corn crop than farmers expected early in the season. Some assert they never had better corn, while others report their corn good only in spots and the yield below normal. All agree, however, that each can give a bushel of good seed corn for southern Indiana corn growers.

* * *

O. O. Smith, 52 years old, manager of the Rosston Grain Company, died in the Williams Hospital in Lebanon, Ind., September 13, after he had undergone an operation. He was born in Greenfield, Ind., and had lived in Mt. Comfort and Indianapolis before going to Rosston. He was buried in Lebanon. Survivors are his widow, a daughter, a brother, his mother, and a grandson.

* * *

The twelfth annual convention of the Indiana Farm Bureau, Inc., will be held November 24 and 25 in Indianapolis, according to L. L. Needler, secretary-treasurer of the organization.

* * *

Trading in futures on commodity exchanges handling such produce as grain or cotton was approved by members of the board of governors of the Indianapolis Board of Trade at a dinner held in the Board of Trade building, October 6. The approving vote was cast in a referendum that is being conducted by the United States Chamber of Commerce, of which the Indianapolis Board of Trade is a member. The dinner was an annual event at which the members of the board of governors are guests of the president, E. M. Elliott. It was followed by the regular monthly meeting of the board. The board also voted to appropriate \$500 for contribution to the emergency relief fund of the Indianapolis Community Fund.

* * *

Sowing of Winter wheat is well along in the central and northern part of the state, with much already up, but in the south sowing has just begun in some places. That already up is generally reported to be good to excellent, with good stand. Soil moisture is now satisfactory in most places and considerable fall plowing is being done.

* * *

Governor Harry G. Leslie sent a telegram on September 29 to Secretary of Agriculture Arthur M. Hyde, backing the request of the Indiana drought commission for allocation of \$50,000 in Federal funds for fall feeding purchases by drought stricken Hoosier farmers. Drought commissioners made the request to Secretary Hyde in a message signed by Dean J. H. Skinner, of Purdue University, chairman of the commission.

* * *

Madison County farmers are sowing a crop of wheat that would suggest they have no fear of over-production next year. They explain, however, they are playing a long game with two chances, and if the wheat market is still unsatisfactory in 1931, they will have enough wheat for live-stock feed and can depend on corn and hogs to make up for wheat.

* * *

Another risk incurred by wheat growers in Madison County in their apparent disregard for warning from state and Federal authorities to sow late to escape ravage of the Hessian fly. The majority of the wheat growers have their wheat in the ground. Three miles south of Anderson, wheat was

sown September 12 and is more than two inches above the ground and growing rapidly because of warm weather and frequent rains.

* * *

The H. E. Kinney Grain Company received the first new corn on October 6. One car, shipped from Piper City, Ill., graded sample Yellow and contained 24.8 moisture and 3.7 damage. Another car arrived the same day shipped from Plainville, Ind., graded 5 Mixed, with 9.8 damage and 18.4 moisture.

* * *

By marketing wheat through hogs, Will Jones, of Union Township, Shelby County, succeeded in obtaining twice the present market value for 234 bushels, according to Calvin Perdue, Shelby County agricultural agent.

LOUISVILLE

A. W. WILLIAMS - CORRESPONDENT

HAY, grain, and feed dealers report very fair business, but not so good as it was a month ago when there was a much more active demand, due to lack of greenstuff, and the fact that many feeders were scared over alleged shortages and buying for future needs. Demand for hay has been much slower, what with free offerings, and receipts have eased as dealers, many carrying fair stocks, have held buying up.

Complaints are being heard from both dealers and jobbers regarding emergency freight rates on hay and feeds, and carlot buying by farmers and farmers' associations, farm unions, etc., which have undoubtedly brought in a great deal of stuff, cutting out the regular dealer, and the latter's jobber. Rumors have been heard regarding 60 carlots of hay moving into Shelby County, 30 miles east of Louisville, on emergency rates.

General prices are lower, cottonseed hulls and meal being considerably lower than they were, while oat feeds are down. Corn feeds, other than hominy, are holding fairly well. Millfeeds which have been pouring in from the West have cut the market down to around \$24 a ton on bran, mill price.

* * *

The Bingham Hewett Grain Company, for a number of years at 301 West Main Street, Louisville, now has its office at Hancock and Franklin Street, where it leased from John R. Watts & Son, the Big Four elevator of 60,000 bushels' capacity, it being a former Fruechtenicht elevator, purchased by Watts two or three years ago. Watts retains the storage warehouse at that point. Ed Scherer, of the Bingham Hewett organization, remarked that the company would continue operating through the Kentucky Public Elevator Company on large and long storage grain, but use the Big Four in its small in and out handlings, principally.

* * *

No information is available as yet regarding fall movement of grain to the distillers for producing medicinal whisky, as no permits have been issued so far. However, it is understood that about the same plants as ran last winter will again be in operation this year, including two at Louisville, one at Owensboro, and one at Frankfort, Ky., plus some rye plants in Maryland and Pennsylvania. Last year's permits were approximately 2,000,000 gallons, or 40,000 barrels, requiring around 400,000 bushels of grain or better. It is understood that while production last year started around December 1, it will not start before January this year.

* * *

There has been good movement in winter planted grains such as wheat, rye, barley, etc., although wheat movement has been below that of last year, there being much seed wheat available in the country. Acreages of wheat, barley, rye, turf oats, etc., are heavy for this season.

* * *

Henry Fruechtenicht, Louisville hay, grain, and feed dealer, won several cups and ribbons in the horseshow at the Kentucky State Fair in September, when he exhibited heavy draft animals in dray

teams, showing in teams up to six animals. Mr. Fruechtenicht is one of the few hay and feed dealers who keeps on plugging for the horse. He has exhibited animals for years in the show and has a multitude of cups.

* * *

The Red Cross, which is distributing 100,000 bushels of rye, and small lots of kale, spinach, and turnip seed to destitute farmers, reports that the movement has been rather active. Rain is needed over much of the state to start fall planted stuff.

* * *

The Kentucky Public Elevator Company, Louisville, reports goodly storage stocks, much of which are on long storage, principally wheat, with some corn and oats. Storage space continues well filled. Daily movements in and out are only fair.

* * *

Oscar Fenley, president Kentucky Elevator & Grain Company, after serving a number of years as president of the Bourbon Stock Yards Company, has been succeeded in the latter post as president by E. L. German, general manager. Mr. Fenley had previously announced his intention to withdraw.

* * *

T. H. Stokes, president, First National Bank, Murray, Ky., has been offering farmers a proposition to furnish their seed wheat on a basis that he share in one-eighth of their crop harvest, the farmer being out nothing but his labor if the crop is a failure.

* * *

Southern Louisville hay and grain dealers are now busy with furnishing supplies to the many racing stables at Churchill Downs race track, which is running an 11-day meeting, following the Lexington meeting. Many horses will remain at the Downs over the winter.

* * *

The Gold Proof Milling Company, division of S. Zorn & Co., Louisville, recently suffered around \$15,000 fire loss when its bag plant was burned, fire starting from spontaneous combustion in a coal pile.

* * *

Frank Flowers, of the Oscar Farmer Sons Company, local grain and feed dealers, reported fair business, but below that of late August and early September, due to much better grades and co-operative buying.

* * *

Aaron Voris, 72, feed and grain dealer at Burgoon, Ky., recently killed himself at his home with a shotgun, as a result of despondency over poor health.

* * *

Dr. David C. Morton, president of Ballard & Ballard Company, Louisville, was recently married to Mrs. Elizabeth Booker Williams, of Richmond, Va., wealthy widow of a former tobacco manufacturer. Dr. Morton is 51 years of age; his bride is 36. Dr. Morton's first wife, the former Miss Mary Ballard, died four years ago.

BALTIMORE

ROBERT C. NEU CORRESPONDENT

ON OCTOBER 1 A. W. Mears rounded out his fortieth year with the house of White & Co., flour distributors of Baltimore and New York, now being the head of the firm. Mr. Mears is a former president of the National Federated Flour Clubs as well as of the Baltimore Chamber of Commerce.

* * *

T. Wilson Johnston, secretary-treasurer of Maynadier & Johnson, Inc., grain receivers and shippers of this market, has completely recovered from a recent attack of ptomaine poisoning.

* * *

Chief Grain Inspector David H. Larkin, of the Baltimore Chamber of Commerce was in attendance at the thirty-fourth annual convention of the Grain Dealers National Association, in Chicago,

October 13-15, as well as taking part in the deliberations of the National Association of Chief Grain Inspectors held at the same time.

* * *

Lewis G. Lederer, of Lederer Bros., grain and flour merchants of this market, has been confined to a Boston hospital for some time past under treatment for diabetic trouble. His condition is improving.

* * *

Receipts of water-borne wheat in the Baltimore market up to October 3 of this year amounted to 1,062,524 bushels, compared with 1,302,857 bushels arrived up to the same date a year ago.

* * *

Charles P. Blackburn, president of C. P. Blackburn & Co., Inc., grain receivers and exporters of this market, has returned from a motoring trip through Pennsylvania.

* * *

One of the most popular nooks on the exchange here during the early part of October was the grain inspection laboratory, where Chief Larkin had a radio hooked up to receive the results of the world's series baseball games.

* * *

H. D. French, a well-known member of the Baltimore Chamber of Commerce, has returned from an extended stay at Atlantic City.

* * *

Manager J. A. Peterson, of the Western Maryland Elevator, has addressed a communication to the secretary of the Baltimore Chamber of Commerce, conveying the thanks of the officials of the Western Maryland to the various departments of the chamber and its members for the aid and cooperation given towards the early restoration of the elevator facilities at Fort Covington, following the explosion on August 20.

* * *

The Kent County (Md.) Farm Bureau, of which E. Thomas Massey is president, adopted the following resolution at a recent meeting:

"Mindful of the ever-increasing burden of taxes, we promise an inquisitorial analysis of the county's expenses in order to reduce them, and we favor a state income tax that would make possible a reduction of land and agricultural personal property taxes."

* * *

The Queen Anne's County (Md.) Farm Bureau has contracted for 500 tons of Alfalfa hay for distribution. A large dairy concern will finance half the cost, and county banks the other half. Another dairy firm, it is reported will deduct \$5 per ton from the monthly milk checks until the hay that each shipper has bought for his dairy herds is paid for.

MILWAUKEE

C. O. SKINROOD - CORRESPONDENT

THE decided pickup in the grain trade as compared with last year is interpreted by Milwaukee grain dealers as reflecting the true situation of large grain yields in the Northwest for the past year. The Milwaukee grain men state that the fine record for September should be an indicator of the grain business for the next several months.

Grain dealers state that the one thing needed for better grain business is an improvement in prices. Even at that, the farmers are apparently so much in need of cash that they are willing to let go of their grain at the present level of prices. However, it is not doubted that with a little rally in the cash market, it is more than likely there would be a considerable spurt in the grain trade.

* * *

Milwaukee grain business is picking up in striking fashion when compared with figures for the corresponding month of last year. A close comparison indicates that the total grain business of this market made a gain in September of approximately 50 per cent over the figures for the same month a year ago.

* * *

Milwaukee has heavier grain holdings than it has had for a long time. The latest report for the first week in October indicates that the total storage supply is in excess of 8,469,000 bushels. This is equivalent to the high storage supply that this market usually has in the spring just before navigation opens up.

The chief grain held in elevators is oats with a supply of 4,870,000 bushels. This is the logical result also of the sudden increase in receipts. The supply of barley held is only about 750,000 bushels, which is less than expected in view of the heavy trade. However, the demand for barley is keen and it is soon moved out. The corn holdings are also

very light as would be expected at this season of the year with only about 783,000 bushels.

A surprising amount of wheat is in storage with no less than 1,825,000 bushels held. This is a result of the wheat held over from previous months when the wheat trade was much more active immediately after the harvest in the Southwest. Recent receipts have not been large enough to have much effect on the wheat storage.

Grain interests are eager to get the grain shipped out this fall during the month of October and early in November when the normal insurance rates apply. With large grain holdings, every effort will be made to clear up the elevator situation. However, added storage capacity is now available to the extent of millions of bushels. This tends to relieve the storage outlook in a material way.

* * *

One of the recent shipments of grain from the Milwaukee market was the steamer *Henry Steinbrenner* which left for Buffalo with 230,000 bushels of corn loaded from the Chicago & Northwestern Kinnickinnic elevator.

* * *

Great interest has been manifested at Milwaukee in the stand which would be taken by the Milwaukee Association of Commerce on the referendum of the United States Chamber of Commerce concerning trading in futures. The national affairs committee of the association has finally taken a favorable stand in favor of futures trading and speculation.

* * *

As an indication of the strong demand here for barley, a cargo of 220,000 bushels of this grain came from Fort William on the Canadian steamer *Franz*. This is the first cargo of barley ever to come in here by boat, according to Secretary Harry A. Plumb. He reported that years ago Canadian barley sometimes came in by train. Argentine and Canadian flax and Canadian wheat have come in by boat before, he stated, but this is the first shipment of Canadian barley by water.

The maltsters of Milwaukee are up in arms over the competition by the Canadians. They have made an appeal to Congressman William H. Stafford, of the Milwaukee district, asking him to do all he can in congress to have this dumping process stopped. Mr. Stafford will take up the subject as soon as he gets back to Washington for the winter session of congress. It is claimed by the Milwaukee maltsters that the Canadian trade is actually underselling the American trade by six to eight cents per bushel. The malting trade of Milwaukee has been none too good in recent years and now comes the Canadian handicap to still further limit the Milwaukee trade in this field. Consequently, the local handlers and producers are up in arms on the subject.

* * *

The Milwaukee Chamber of Commerce has taken another step forward in its decision to start a security exchange. The members of the chamber approved the scheme practically unanimously a short time ago. The rules proposed for the new board were approved as passed by the board of directors.

The board of directors has decided that the new exchange will be started on Monday, February 2, 1931. The board has been empowered to go ahead and make plans for the exchange without any further delay. By that time, all details for the new exchange should be completed so that action can be taken looking to trading.

A competent man will be engaged immediately who will be designated to handle all the work of the new exchange. The board of directors is now canvassing the field to see where such a man can be obtained. The actual control of the new exchange will be placed in the hands of a committee of seven. This committee has not yet been announced.

* * *

Directors of the chamber of commerce have voted to give membership to George Milnor, president of the Grain Stabilization Corporation. Executives of the chamber of commerce state that this move does not necessarily mean that the farmers' national and its subsidiary, the stabilization corporation, will become active in this market.

* * *

There is a new stimulus in the price of chamber of commerce seats since it became definitely known that there will be a new stock exchange here run by the grain men. The price of seats dropped to about \$200 when the security market project was dragging along. Now the price has rallied to around \$300 each. Some months ago when the enthusiasm for the new exchange was at its height, the price of memberships was quoted around \$1,000 each. With the small interest in securities generally at present the present low price is also partially explained.

* * *

Wisconsin is highly fortunate in its supply of feeds, according to a survey made in 28 states. This report shows that Wisconsin has actually 9 per cent more feed than the five-year average, accord-

ing to the Federal and state crop reporting service at Madison. This survey credits the state with having 2,090 pounds of grain per animal unit, as compared with a five-year average of 1,970 pounds and also 1,320 pounds of hay per animal unit as against the five-year average of 1,190 pounds of forage.

* * *

Money rates are still continuing low for the grain trade with the rate for the month of October again fixed by 5½ per cent, according to the finance committee of the chamber of commerce.

* * *

New members are steadily being admitted to the board. Among the latest names accepted are James E. O'Brien, assistant to the secretary of the chamber of commerce; John H. Caldwell, and Charles A. Zinn of Milwaukee.

* * *

The Milwaukee harbor commission has opened negotiations with the Federal Farm Board for the erection of a mammoth elevator on the municipal harbor tract. There will be no more elevator building this year, it was stated, but it is believed by the city authorities that in the future if the farm board goes on expanding its activities, it will need a large amount of elevator space here.



MORE than 7,000,000 bushels of grain were held in 23 Great Lakes steamers behind the Buffalo breakwall early this month, representing early arrivals in the fleet of ships which will hold winter storage cargoes. This establishes a new record for so early in the fall season but elevator congestion at all lower lake ports has prompted boat owners to charter their ships for immediate loading of winter storage cargoes.

* * *

Alger A. Williams has been appointed referee to sell the Superior grain elevator by Supreme Court Justice Samuel J. Harris on application of attorneys for the Marine Trust Company of Buffalo as trustee under the first mortgage bond issue which now is in default. Thomas C. O'Brien, manager of the Superior elevator, was appointed receiver in the mortgage foreclosure proceedings. The Superior elevator will continue to operate and plans are under way for a reorganization of the property after the sale, the date for which has not been fixed.

* * *

Captain W. H. Corrie, manager of the St. Thomas Elevator Company, at St. Thomas, Ont., who was a visitor in Buffalo late in September sounds a note of warning to all grain elevator operators against the prevalence of the rice weevil which he says is causing considerable damage to grain in storage although no evidence of it was found when the grain is taken into the elevators. Evidence of the rice weevil, Captain Corrie says, is first obtained when the temperature of the grain undergoes an increase because it is then that the live weevils start hatching from the eggs inside the Winter wheat and barley although very little evidence of the pest has been found in Spring wheat. Spraying with insecticides has been found ineffective, Captain Corrie says.

* * *

L. E. Smith, general superintendent of the International Milling Company, of Minneapolis, was a recent visitor in Buffalo inspecting the construction of the new grain elevator adjoining the mill property along the waterfront. Mr. Smith says the new house will be equipped with one of the fastest marine legs along the lakes for the rapid elevating of grain from Great Lakes steamers.

* * *

Modern methods of rapid elevation of grain cargoes employed by waterfront elevators at Buffalo will be copied by the port development committee of Rotterdam, Holland, the second largest seaport of continental Europe, it was said by Dr. Jan Ph. Backx, secretary of the committee, who was in Buffalo early this month in connection with an exhaustive survey of ports along the Great Lakes. Dr. Backx said that contemplated improvements at the port of Rotterdam will be based upon his survey. While in Buffalo, Dr. Backx was the guest of leading grain elevator managers and superintendents on a tour of the waterfront district.

* * *

Announcement is made by the Pennsylvania Railroad Company, that it will double the capacity of its grain storage and transfer elevator at Erie, Pa. With the completion of the proposed addition of 1,250,000 bushels capacity, the company's elevator at that port on the south shore of Lake Erie

will have a total capacity of 2,500,000 bushels of storage grain. The addition will involve an expenditure of approximately \$500,000. Work on the new structure will be started this fall.

* * *

Receipts of grain by lake steamers at terminal elevators up until early this month exceeded 105,000,000 bushels and have been averaging close to 1,000,000 bushels daily.

* * *

The new eastern terminal for the grain traffic of the Great Lakes was formally opened at Kingston, Ont., September 24, when the steamer *Kindersley* came alongside the 2,500,000-bushel elevator just completed at Little Cataraqui Bay. The unloading of the 80,000 bushels of rye was accomplished within a very short time.

* * *

Total grain receipts at Port Colborne, Ont., for the season up to October 1, were reported to be 43,359,065 bushels, an increase over the corresponding period of last year. The Canadian government elevator at Port Colborne has been congested and boats are being delayed at the elevator. Total shipments of grain from Port Colborne for the year up to October 1 were reported to be 40,872,879 bushels, leaving 2,487,186 bushels in storage.

* * *

Vigorous opposition to the proposed transfer of the Erie and Oswego canals by New York state to the Federal Government unless under guarantees that the Erie Canal will be improved and maintained at a high degree of efficiency, was voiced at a public hearing by the national waterways route committee of the New York state legislature.

* * *

Harold L. Abell, president of the Marine Elevator Company, is also president of the C. Lee Abell Company, insurance, and the Union Fire Insurance Company. The Marine Elevator Company was established by Mr. Abell's grandfather, William Abell, who in 1881 built a grain elevator capable of storing 150,000 bushels of grain. The late C. Lee Abell enlarged this elevator to a capacity of 650,000 bushels and Harold L. Abell, retaining his father's elevator, constructed a new unit of 2,000,000 bushels capacity, thus three generations of the Abell family have made important contributions to the development of the grain elevator capacity of Buffalo. Mr. Abell is interested in all out-of-door sports. At school he was active in athletics, having been a member of track teams. For some time he was a member of Troop 1 of the state cavalry, but golf and swimming are now Mr. Abell's chief diversions. Born in Buffalo, Mr. Abell received his education at grammar school No. 16, Lawrenceville School in New Jersey and Nichols School in Buffalo from which he was graduated in 1911. He immediately became associated with the business of his father, first learning the insurance business and later manager of the Marine elevator. He is a director of the United States Fire Insurance Company, a member of the Buffalo Club, Buffalo Athletic Club, Buffalo Country Club, Wanakah Country Club, Buffalo Trap & Field Club, Greater Buffalo Advertising Club, Buffalo Canoe Club, Buffalo Launch Club, and the Automobile Club of Buffalo.

NEW YORK C. K. TRAFTON - CORRESPONDENT

MEMBERS of the produce exchange were greatly interested recently by a renewal, evidently in more concrete form than formerly, of the oft-discussed proposal to demolish the present structure, which was erected in 1881, in order to make room for a much larger building. A planning board appointed by the board of managers has been holding conferences with architects, real estate brokers and financiers to determine the best means for improving the very valuable site facing Bowling Green and Battery Park at the beginning of Broadway, which is said to be the largest available for a new building in the downtown district. The present 10-story structure, which extends from Stone to Beaver Streets with frontages also on New and Marketfield Streets, comprises 72,000 square feet and almost all of the 307-foot Broadway frontage is utilized by the largest trading floor in the world. Although adequately serving the purpose for which it was originally built, the economical use of the plot dictates the utilization of this space to a more intensive degree as the building now houses but a small percentage of those desiring accommodations near the grain, security, and other commodity markets. Built over 50 years ago with its walls 20 feet thick at the base, the building was for many years an outstanding landmark on lower Manhattan Island and, until partially shut off by new and taller buildings, the large clocks on all four sides

of the 10-story tower were visible from ships entering and leaving the harbor and from far-distant points in New York, New Jersey, Long Island, and Staten Island. Several years ago there was considerable discussion anent a proposed building of 100 stories to be erected by a syndicate organized by one of the leading local real estate concerns, the cost of which was estimated at about \$35,000,000.

* * *

Paul Bartlett, associated with the Farmers National Grain Corporation in Chicago, was an early October visitor in the grain market on the produce exchange.

* * *

George Bingham, of E. A. Strauss Company, Inc., grain brokers, was elected to membership in the produce exchange at the early October meeting of the board of managers.

* * *

Charles A. Robinson, prominent in grain circles for many years as head of the well-known exporting firm of Robinson & Sweet, who sailed for Europe on June 3 with Mrs. Robinson—"The American Flag Lady"—returned on September 15 and was cordially welcomed by his many old friends on the produce exchange. Mr. Robinson stated that their European visit had been quiet, their activities being restricted by the protracted rainy weather.

* * *

Sam Finney, one of the old-time members of the grain trade on the Chicago Board of Trade, paid one of his occasional visits to his old friends on the produce exchange last month and received the usual hearty greeting.

* * *

Trading in tickets of membership in the New York Produce Exchange remained extremely quiet during the past month. The last reported sale of a regular membership was at \$5,000 and memberships are now quoted nominally at \$5,500. An associate membership sold a few weeks ago at \$2,800 and they are now held at \$3,000.

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Edward D. Clarity, of the Barber Steamship Lines, Inc., is an applicant for membership in the produce exchange.

* * *

The members of the produce exchange howling league will start their new season at Dwyer's Broadway Alleys on Thursday, October 16. Starting with the usual membership, between 60 and 70, they will make use of 10 alleys every Thursday night until the end of April, competition being stimulated by the awarding of prizes each night in addition to the usual liberal assortment of prizes for the entire season's records. Charles P. Lambert is president; John M. Frey, vice-president; A. A. Rasmus, treasurer, and E. S. Galloway, secretary.

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The monotony of every-day business routine on the New York Produce Exchange was very pleasantly relieved during the short session of Saturday, October 4 when American Legion Post No. 304, made up of members of the Chicago Board of Trade, marched on the floor in true military style. The post numbers about 60 men, including a large and very capable drum and bugle corps. The latter aroused a great deal of enthusiastic applause and cheering by rendering a number of appropriate martial numbers with such great vigor as to make their music heard throughout the entire building and out in the street where a large crowd gathered. This provided another large audience for the post on its march to the New York Stock Exchange where it received a warm reception. Subsequently they returned to the exchange for an informal visit and inspection of the fine trading facilities of the huge floor. A number of exchange members acted as hosts to small parties of the legionaires in various offices during the afternoon. The post was en route to Washington where they were received by President Hoover, before journeying to Boston for the annual convention of the Legion.

* * *

Reisuke Ishadi, associated with the New York office of Mitsui & Co., leading Japanese importers and exporters, was elected to membership in the produce exchange early this month.

* * *

Thursday, September 25, marked an important anniversary for one of the oldest employes of the New York Produce Exchange and one that is not common in the history of such commercial organizations. James H. Patrick on that day joined the exclusive half-century class, rounding out 50 years of continuous employment. To commemorate this noteworthy event, the employes of the exchange presented him with a gold watch suitably inscribed with his initials and the dates, 1880-1930; the presentation being made by Secretary William C. Rossman. Mr. Patrick entered the employ of the exchange as a messenger on September 24, 1880, when the exchange was located on Whitehall Street where the United States Army Building now stands. For many years he has held the important post of librarian of the exchange and as such has charge

of one of the most complete commercial libraries in the country. Because of his wide acquaintance with leading newspapers published in leading cities here and in Europe and his familiarity with all of the most important trade publications appertaining to the many lines of business represented on the exchange he naturally assumed the role also of unofficial "information bureau" and members and visitors soon discovered that it was very difficult to catch "Jimmy" without an answer to questions covering a very wide range of business information.

* * *

Isaac J. Sherman, dealer in securities, who recently resigned his associate membership in the produce exchange, has been elected to regular membership.

* * *

As was the case in all other security and commodity markets all over the country, the securities market on the New York Produce Exchange still felt the effects of the general quietude during September. The total number of shares traded in during the month was 379,957, compared with 360,900 during August and with 2,524,078 during September, 1929.

* * *

Members of the produce exchange, and especially those directly connected with the securities market, called attention last month to a new feature to facilitate trading in that market. This was the establishment of a loan post where stocks of the more active issues will be available for loan purposes. The initial list of issues available for this purpose comprised over 30 stocks.

* * *

Leo Newman, pit broker on the Chicago Board of Trade, spent a few hours early this month with members of the grain trade on the produce exchange.

* * *

Alfred Fisher, of Wade Bros. & Co., commission merchants and brokers on all leading stock and commodity exchanges, is an applicant for membership in the produce exchange.

DULUTH S. J. SCHULTE - CORRESPONDENT

CONDITIONS in the grain trade on this market are still featured by a show of extreme dullness, but a stronger price tendency is being shown at the present with a strong spot market situation a feature. Generally speaking, operators are firm in their views, taking the position that futures are certain to react still further. In the meantime, leading interests in the trade are expressing confidence regarding the ultimate outcome in view of the apparent certainty that no congestion in elevator stocks should be experienced up to the close of the present crop year. It is, in fact, regarded as interesting to note that the trade situation is stronger than a month ago. That is being accounted for by the fact that some charters have been made for a few mixed cargoes to be loaded out at once for the East. This action is claimed to have cleaned up the market as regards supplies for October loading.

* * *

Little demand for boat space to move grain from the elevators has been reported recently although the co-operatives have not been backward regarding unloading wheat and coarse grains, especially barley and oats. They claim to feel satisfied that the recent grain sales should net them profits.

* * *

Few changes in memberships of houses operating over this section of the Northwest have been noted during the last month. Full sales forces are being maintained, elevator officials claiming that contracts are running in good volume and should show profits.

* * *

Flaxseed screenings are in good demand and have been moving out at a good rate. Demand for other screenings is slack.

* * *

Membership changes for September were few on this board including: Admitted, J. M. Ericson, for the Bartlett Frazier Company; A. B. Starkey, J. A. Johansen. Withdrawn, E. J. Wenzel.

* * *

The improvement in demand for vessel tonnage a short time ago was brief and the market is again back on a very slow basis.

* * *

Duluth representatives of prominent flax houses operating over the Northwest reported a firmer condition in that market over this territory, strong hopes being entertained of a larger movement in flax as a result of better bookings for seed on the

assumption that the demand for them will be more pronounced in view of a more active situation in the building trade and larger sales of paints and oils and other flax products.

The Grain Stabilization Corporation is shipping some barley and Durum wheat to Chicago by lake. A rate of 2½ cents is reported from Cleveland to have been made for Chicago delivery, although ordinarily the Chicago rate is about the same or under Buffalo. This was a special case to a certain house in a position to receive grain there.

A quantity of Durum wheat in bond and also some Canadian barley was recently received at Duluth-Superior. Under the new customs law, grain in bond can only remain in the country 10 months, so that if not moved out into the export trade within that time the duty must be paid on it.

During the week ending September 27, several cargoes of barley were shipped from Duluth to Chicago by the agencies operating under the Government. Shipments of 328,000 bushels of Spring wheat and 363,000 bushels of oats were made to Toledo. Aside from these the bulk of shipments for the week went to Buffalo.



AN INCREASE of millions of bushels in the grain hedging trade of Minneapolis is forecast, with a prospect that the Minneapolis Chamber of Commerce will become the world's largest hedging center. At least 25 per cent of the hedging done by Minneapolis concerns has been done on the Chicago Board of Trade. With Chicago offering little elevator space for storage, Minneapolis firms point out that they would be at the mercy of the Chicago market under the new rule and consequently will be forced to go elsewhere. It is their opinion the bulk of their business will now be done on the Minneapolis market. Minneapolis and the head of the lakes offers large storage space for grain and Minneapolis will be placed in a commanding position in the futures and hedging market. Traders say they do not expect the change to be made overnight but gradually. A bright future for the Minneapolis market in the next year is in prospect.

* * *

A slowing up of the movement of grain from the country to terminal markets in Minneapolis, St. Paul and Duluth is likely to result from general rains over the northwest the past two weeks, as farmers are taking advantage of the condition of the soil to do their plowing. The seeding of Winter rye is progressing rapidly in many sections of the Northwest. The Farmers Union Terminal Association in its weekly agricultural review, states that rains recently have interfered with threshing in the northern sections, but threshing is pretty well completed. While the peak of the grain movement usually takes place in October, it is felt in most districts that the peak of the 1930 wheat movement already has been passed, as the heat and dry weather caused an abnormally early harvest this year.

* * *

At a recent meeting of the northwest section of the American Association of Cereal Chemists, held in Minneapolis, to discuss the 1930 Spring wheat and new crop flour, it was definitely brought out that the protein content of this year's Spring wheat is the highest experienced since protein has become such an important factor in milling operations. The average protein content of all cars of wheat received by the Minneapolis state grain laboratory during this crop year is 14.60 per cent, with a moisture of about 10 per cent. It was also developed that the yield of flour from the new crop will be lower than that of last year, due to the extreme dryness, and also to the light weight of wheat.

* * *

The first of a series of corn harvests, to be conducted over a period of three years to determine which strains of corn are best suited to certain counties, were held in six Minnesota counties the week of September 29. Counties in which these tests were made were Blue Earth, Faribault, Cottonwood, Nobles, Rock and Rice. These harvests are of crops planted to determine which strains of corn are best among strains submitted by leading corn growers in the respective counties. Similar tests will be conducted in each of the counties in the next two years and it is thought that the three-year averages should give a definite idea of the merits of the different corn strains tested. On October 15, at the annual "corn day" at Waseca, the results of the first tests will be announced.

* * *

F. P. Heffelfinger, president of the Northwest Country Elevator Association, explaining the line elevators' position on loans to farmers on elevator stored grain, states that the co-operatives at present are loaning or preparing to loan up to 70 per cent of the value of grain on elevator-stored grain, regardless of whether the farmer receiving the loan is a co-op member or not. The one proviso is that this grain must be marketed through channels provided by the co-op. Mr. Heffelfinger's statement also points out that this year, as in former years, farmers are able to obtain loans through the regular channels amounting to 75 per cent of the prevailing market prices on wheat, flax and other grains. Farmers are not required to sign future marketing agreements to obtain these loans, nor do they surrender control over sale of the grain put up as collateral.

* * *

J. Walter Rice, general manager of the grain department for the Froedtert Grain & Malting Company, Milwaukee, has purchased a membership in the Minneapolis Chamber of Commerce.

* * *

G. K. Labatt has been elected vice-president and general manager of the St. Anthony & Dakota Ele-

vator Company to succeed T. W. Hall, who has retired from business after having been connected with the company for the last 37 years. J. W. Farnham was made treasurer and H. E. Miller, secretary. The announcement is made by F. M. Crosby, vice-president.

* * *

Dr. C. A. Prosser, director of the Dunwoody Industrial Institute, Minneapolis, has left for the Hawaiian Islands, where he will study economic conditions for the Government.

* * *

Ralph C. Miller, head of the United States grain supervision office of Minneapolis, died recently at Hillcrest hospital at the age of 58 years. Mr. Miller was born at Bloomington, Minn., and burial was at Oak Grove cemetery at that place. He was a graduate of the University of Minnesota. His wife, two sons and one daughter survive him.

* * *

Roderick Smith, president of the Smith Mill & Elevator Company, Minneapolis, died recently at his home at the age of 75 years. Mr. Smith had been a resident of Minneapolis for 22 years and was well known in the mill and feed business, in which he had been active for more than 50 years. His wife, three sons and one daughter survive him.

* * *



THE following members of the St. Louis Merchants Exchange were among those attending the grain dealers convention at Chicago: R. R. DeArmond, supervisor of weights of the merchants' exchange; A. H. Beardsley; Claude B. Rader, secretary of the merchants' exchange; Harry F. Beckmann, president of the merchants' exchange; S. A. Whitehead, Fred W. Langenburg, Sylvester L. Fisher, S. S. Carlisle, Arthur J. Schulte, C. L. Wright, H. C. Altmansberger, John H. Caldwell, Paul C. Knowlton, William T. Brooking, Louis F. Schultz and wife, George L. Kelly, and W. J. Neirgarth.

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The regular dinner of the St. Louis Millers Club was held on September 16 at the Rock Hill Country Club near Alton, Ill. Robert F. Imbs is president of the club.

* * *

The following transfers of memberships on the merchants' exchange are noted: Charles P. Cummings, representing the Midwest Grain Corporation on transfer from Martin Huber, of the Highland Milling Company, of Highland, Ill.; Gustave Eisenmann, who is connected with the Continental Export Company, on transfer from B. H. McFadden, of Havana, Ill.

* * *

August J. Barnidge, vice-president of the Prunty Seed & Grain Company, departed this life suddenly on Tuesday morning, September 16 after a very short illness. Mr. Barnidge was buried on September 18 at Calvary Cemetery. He was 68 years of age and had been connected with Charles E. Prunty, a half-brother, and Frank J. Barnidge, a brother, in the seed business in St. Louis since 1874. Mr. Prunty died five years ago and the business since then has been conducted under the name of the Prunty Seed & Grain Company. This firm lately moved into the old St. Louis Merchants Exchange Building which they purchased and remodeled. This building was erected in 1857 and was the home of the St. Louis Merchants Exchange until 1876. Mr. Barnidge was a bachelor having resided in an old mansion located at 4321 Virginia Avenue for the past 20 years.

Mr. Barnidge in his younger years was an ardent sportsman. For many years he was an active member of the old Missouri gymnasium. He was also a regular attendant at baseball games and took quite a fancy to the wrestling and boxing matches which have been held in this city.

* * *

Charles H. Appel, president of the C. H. Appel Commission Company and one of the younger members of the St. Louis Merchants Exchange which he joined in 1920, specializes in field seeds.

Mr. Appel has been connected with grain interests since 1900 when as a boy he secured a position with the Ballard Messmore Grain Company with whom he remained for six years accepting a position with the Prunty Seed & Grain Company in 1906. He remained with the Prunty people until 1912 when he secured a position with Albert Dickerson Seed Company, seed dealers of Chicago. He acted as a buyer in the country and also as a crop expert. While with the Dickerson Seed Company in

LARGE delegations are planning to attend the annual meetings at Lincoln of the Nebraska Grain Dealers Association on October 28 and 29, and the Farmers Elevator Association of Nebraska on October 30 and 31. A. H. Bewsher will preside as toastmaster at the banquet of the Nebraska Grain Dealers and the Omaha Grain Exchange quartet will furnish part of the entertainment at the same affair.

* * *

Most Omaha grain firms were represented by at least one member at the annual convention of the Grain and Feed Dealers National Association in Chicago. Among those who attended are: R. E. Miller, G. F. Dristy, C. D. Sturtevant, O. E. Harris, I. C. Harden, J. W. Holmquist, J. A. Linderholm, O. H. Gibbs, J. T. Buchanan, C. H. Wright, Albert Hedelund, W. T. Burns, F. J. Taylor, and C. W. Adams. Representing the Omaha Grain Exchange was President H. A. Butler, Secretary F. P. Manchester, and Chief Inspector and Weighmaster H. R. Clark.

* * *

The building of the new Gibson elevator of the C. B. & Q., operated by the Nebraska-Iowa Grain Company, has been completed and machinery is now being installed. It is expected that the new plant will be in operation in about 30 days. The new Flanley elevator, also being built by the C. B. & Q., is ready for operation as soon as wiring is finished and power is turned on. The completion of these two elevators assures the Omaha market of ample facilities for the handling of Nebraska's new corn crop, in spite of the heavy stocks of wheat already carried in Omaha elevators. Both these companies are active in the corn trade.

* * *

The Cargill Elevator Company, of Nebraska, is building a cleaning plant to the south of its 5,000,-000-bushel storage house on the C. & N. W. rails.

* * *

Shippers in this territory state that new corn will soon be moving as a result of the excellent maturing weather that has prevailed during the past 30 days. It is said that one or two cars of Iowa corn may be on the market this week.

* * *

Among the baseball fans who went from Omaha to St. Louis for the World Series were O. H. Gibbs and W. J. Powell.

* * *

H. A. Butler and E. A. Lucke returned Friday, October 10, from a two weeks' hunting and fishing trip in Nevada.

* * *

On account of the relatively high price of corn as compared with wheat, barley, and oats, there has been very heavy feeding of the three latter grains throughout Nebraska this year. Feeders report very satisfactory results from the use of these substitutes and some of them state that gains have been better than they obtained when using corn. To calculate the percentage of Nebraska's bumper wheat crop that will have disappeared by the end of the crop year through feed channels would be extremely difficult, but country shippers declare that it will be much greater than is generally estimated by the terminal grain trade.

his travels throughout Iowa he met Miss Creta Stuckey whom he married in December, 1915.

In 1920 he returned to St. Louis and was one of the organizers of the Kellogg Huff Commission Company, handling the seed department for that firm until 1923 when he went into business for himself handling field seeds and other grains.

A short time ago he accepted the position of district manager in Missouri for distributing "Manamor," a cattle feed, and he has been quite successful in introducing this among the dealers and feeders in this territory. He is a very aggressive young man and a hard working one. He is a member of the seed committee of the merchants' exchange and also has been placed on the arbitration committee and on a committee of claims and insolvencies.

Mr. Appel is prominent in Masonic circles and also other lodges. When not attending to these affairs, he is very much interested in baseball and bowling, being a member of the merchants' exchange bowling league. He is a conscientious worker and has a reputation for being a "square shooter."

TOLEDO S. M. BENDER CORRESPONDENT

THE TOLEDO Produce Exchange has secured new quarters in the former Ohio Bank Building leasing a large portion of that building which will be remodeled and redecorated. Under the new plans the building will be changed to the Board of Trade Building to distinguish it from the new Ohio Bank Building. Establishment of a complete new and modern trading floor will probably mean a boost to importance of the Toledo grain market. There are 40 member groups in the exchange representing several large Chicago and Minneapolis firms. There is now 7,000,000 bushels of elevator capacity here which is controlled by member firms. The board of trade will be located in the heart of the financial district and be in closer touch with the business world. In adopting the name of the Toledo Board of Trade the organization returns to a name originally adopted for such a body in 1849. In those days the exchange was largely made up of forwarders, commission men and operators of grain elevators. Three different boards of trade followed in quick succession and then the Toledo Produce Exchange was organized January 7, 1876 with broader scope than its predecessors. The accessibility of the trading floor is expected to be increased by the new second floor location. Stocks in Toledo, New York and Chicago will also be listed with private wires direct to those markets. Kenton D. Keilholtz, president and W. A. Boardmen, secretary, signed the lease on behalf of the exchange. Remodeling of the new location has already begun and it is expected that most of the grain firms and associate organizations will move about December 1, 1930. Several of the grain firms will be grouped around the new floor and this will add to the importance of the new location.

* * *

Ernest Kieser, sales manager of Kasco Mills, Inc., of Toledo, received mention in society news recently when his engagement to Miss Eunice Mitchell, of this city was announced. She is the daughter of Ammi F. Mitchell, a vice-president of the Ohio Savings Bank & Trust Company, and well known to Toledo grain men.

* * *

The Toledo Board of Trade Bowling League started recently for the season and is composed of eight three-men teams as follows: Timothy Seeds—Edgar Thierwechter, Wilfred Keilholtz and Duane Norby. Screenings—Mark Mennel, Frank Bowes and Al Schultz. Hay Seeds—Ed Nettleton, Carl Pauken and Herman Nesper. Wild Oats—Orris Brazzil, Martin Mattimore and Ben Hoffner. Chicken Feeds—Ashton Stone, Kenton Keilholtz and Ray Wick. Margin Calls—Wallace Applegate, Siva Bender and Art Mylander. Clover Seeds—Robert Burge, Ray Gordon and Bud Kaltenmark. Off-Grades—Phil Sayles, Harry Prue and Joe Streicher. H. O. Barnhouse and Lawrence Mummet are also serving as general utility bowlers. A dinner will be served at the end of the season and prizes distributed to the winning teams and leading bowlers. Ray Wick, Ashton Stone and Al Schultz serve on the eligibility committee.

* * *

The Soft wheat situation is gradually tightening in this territory with receipts very light and an excellent outside milling demand. Premium has advanced to one cent over Chicago December wheat basis Toledo rate points. Supplies are closely held and it is doubtful if they will be offered freely until near the end of the season. Corn and oats buyers

are taking small receipts of those grains at firm prices and very little if any goes begging. The fall plowing has progressed fairly well though some ground was pretty hard until late rains improved the condition. Acreage of Winter wheat is expected to be smaller throughout this territory.

* * *

John C. Husted, formerly with the C. A. King & Co., of this city and later with a Chicago grain firm has just returned from a year's trip abroad with his family.

* * *

The Horn Milling Company's large elevator at Harbor Beach, Mich., has been torn down after nearly 50 years of service in the trade. It was built in 1882 and had a capacity at the time of wrecking of nearly 75,000 bushels. Lumber used in the construction was of white pine and was found to be just as good as when built.

* * *

The Kasco Mills, Inc., of this city, held a series of poultry meetings during the past month in Ohio and Michigan with Mr. Robert Quait, prominent nutritional expert of Trenton, N. J., as the principal speaker.

* * *

Clover seed has ruled fairly strong during the month with a good trade in both December and October. Increasing hedging sales appear to be well absorbed. These are against the new crop which will be about normal in this state.

* * *

The annual fall meeting of the Ohio Grain, Mill and Feed Dealers Association will be held in Columbus, Ohio, Tuesday, October 28th. Headquarters will be in the Deshler Hotel where a noon luncheon will be served. Bill Cummings, keeper of the seal and records, tells us it is going to be a mighty interesting meeting. Governor Myers Y. Cooper is scheduled for a talk and his Drouth Committee will also give a report on conditions. Another big man in the state department of agriculture is under negotiations for a "spiel." O. Perry Hall, president, will preside at the meeting and has requested that all members and non-members be there. It will be very important to feed dealers especially on account of the proposed change in the license fee in the state. This change as proposed will be thoroughly discussed.

* * *

Jesse W. Young, formerly in the grain business in Toledo, writes that the Ralston-Purina Company have taken over the Lafayette Milling Company, Lafayette, Ind., with whom he has been associated for several months. Jesse is well known throughout the trade and though by nature a grain man has adapted himself to the soy bean trade and enjoying the experience.

KANSAS CITY KENNETH FORCE CORRESPONDENT

A NEW 3,000,000-bushel elevator will be built by interests whose identity is as yet unknown, providing the Main Street wharf is improved by the city, which seems likely. Later the elevator would be increased to 5,000,000 bushels' capacity.

* * *

The Hogan Mill Feed Company and the Missouri Feed Mills have resumed production activities. A recent fire in the Hogan plant caused the death of two employees and destroyed its production unit. It also halted manufacture of stock feed in the companies' Southwest Boulevard plant.

The factory, built and formerly occupied by the North Kansas City Alfalfa Mills, has been purchased by the related companies at a cost of \$21,000, and new machinery costing \$10,000 installed. Additional equipment will be added. The new plant is just north of the Corn Products Refining Company.

Each of the two companies operates in its respective field of the feed manufacturing business. One produces mill feeds, using bran and shorts, the other produces commercial feed, grinding oats, barley, wheat, etc.

* * *

The Missouri Certified Seed show will be held at Columbia, Mo., at the Missouri College of Agriculture, December 17 and 18. Competition will be in corn, oats, wheat, soy beans, cowpeas, and Red Clover. The Missouri State Corn show will be held in connection.

* * *

It was brought out at the meeting of the Trans-Missouri-Kansas Shippers Board in St. Joseph, Mo., September 17, that the Santa Fe handled fewer cars of wheat this year than last, while the Kansas

City Southern had increased its haulings of wheat to the Gulf for exportation. More bins in the wheat fields account for a slower movement, according to railroad officials, who did not estimate how long such wheat would be held. Particularly in North Dakota and Montana are the new wheat bins seen. More than 350 railroad representatives, producers and shippers, attended the meeting.

* * *

Average protein content of 34,362 cars of wheat inspected in Kansas City during the first three months of the current crop year was 12.47 per cent, compared with 12.13 per cent on 37,398 cars during the same period last year. The Kansas state grain inspection department has inspected 20,475 cars with an average protein content of 12.64 and the Missouri department has inspected 13,887 cars with a 11.97 per cent protein content average.

* * *

Local grain and feed dealers who attended the thirty-fourth annual convention of the Grain and Feed Dealers National Association at Chicago, October 13, 14 and 15, included the following: R. A. Jeanneret, president of the Kansas City Board of Trade; F. A. Theis, first vice-president, G. W. Hoyland, J. P. Parks, and H. Sosland. Several others also attended.

* * *

W. A. Cochel, editor of the Weekly Kansas City Star, speaking before the Kansas City Grain club and its guests, said that Russia, where he has just spent considerable time, has a three-fold purpose in agriculture: (1) To provide cheap food for the worker; (2) to establish mills and factories for the manufacture of agricultural machinery to make farming efficient; and (3) to provide employment and to restore exporting of grain.

* * *

Missouri corn is in danger of the corn borer from eastern states, according to Dr. K. C. Sullivan of the state board of agriculture. The corn borer, he said, is establishing itself in Kentucky and that practically all of Ohio is infested. He urged closer surveillance.

* * *

Ten of the 16 field crops grown in the Kansas City Federal reserve districts are estimated to be larger than last year and generally above the five-year average. These are Winter wheat, oats, rye, barley, broom corn, etc. Crops estimated as smaller and below the average are corn, tame and wild hay, grain sorghums, Spring wheat, and cotton.

GRAIN NEWS FROM BOSTON

By L. C. BREED

The Fitchburg Co-operative Farmers Exchange, of Fitchburg, Mass., was recently incorporated to buy and sell grain, feed, etc. The capital stock is \$25,000. Victor H. Boeckh is president, Clarence R. Bacheller vice-president and Everett H. Dudley clerk, all of Fitchburg.

* * *

The Boston Port Authority and the Massachusetts Department of Public Works recently had a conference in connection with the proposed erection of a new large grain elevator on the South Boston waterfront, a project that these two bodies were directed to report to the state legislature before December 1. The proposal is to secure export shipments via the newly improved Welland Canal, Ogdensburg, N. Y., the New Haven Railroad, and the port of Boston.

* * *

Milton A. Holmes, Northampton, Mass., dealer in feed, etc., who recently filed a voluntary petition in bankruptcy, with liabilities of \$35,167, and assets of \$21,723, was indebted, among others, to Park & Tilford, Boston, \$16,000; W. A. Curtis, Kansas City, \$794; Harold Johnson, Newark, N. J., \$7,893; Davenport and Davenport, Greenfield, \$900; Chinango Trosiler, Norwich, N. Y., \$800; E. H. Dudley, Fitchburg, Mass., \$3,485.

* * *

John H. Lee, a Boston grain man, who was to be married October 8, was presented with a smoking set and stand by a group of 18 members of the Boston Grain and Flour Exchange at a dinner at the City Club recently as a testimonial of goodwill on the part of these friends.

* * *

Josiah Babcock, dealer in hay and grain, East Milton, Mass., is now located in his new quarters opposite the railroad station.

* * *

The receipts of hay for the month of September were 147 cars. Straw, five cars. The market is steady with a fair demand.

* * *

Boston seed dealers state that at present one of the leading features of trade is the excellent demand for lawn grass seed. The planting of grass seed in the fall instead of sowing it in the spring, is largely the reason for this larger demand at this season. There is still some call for winter rye and other cover crop seed. The demand for field grass seed and grain for future delivery will begin during

the coming month. The hay crop in Massachusetts this season is estimated at 60,300 tons as compared with 69,200 tons in 1929. The prospective yield of corn is forecast at 1,929,000 bushels; oat production is about the average.

* * *

Boston wholesale grain dealers state that while business during September was quite active, the buying was characterized by small orders for immediate wants, but they were frequently soon repeated. The demand for feed was moderate owing to good pasture conditions. Western prices have held quite firm. The arrivals of mill feed from South America continue to be large, but appear to be likely to be discontinued. Offerings of Canadian mills are small. Durum wheat is in good demand for poultry feeding.

* * *

The receipts of grain at Boston during the month of September, as tabulated by the Boston Grain and Flour Exchange, were as follows: Wheat, 50,900 bushels; corn, 1,375 bushels; oats, 62,550 bushels; rye, 1,825 bushels; malt, 3,250 bushels; mill feed, 2,532 tons; cornmeal, 450 barrels; oat meal, 35,239 cases and 550 sacks.

The exports of wheat from Boston during September were as follows: To Liverpool, 88,000 bushels; to London, 16,000 bushels; to Manchester, 32,000 bushels; to Hamburg, 86,230 bushels; to Japanese ports, 68,333 bushels. Oatmeal to Hull, 39,000 cases.

* * *

Among the visitors to the exchange during the month of September, outside of New England, were the following: E. J. Grimes, Minneapolis, Minn.; Bert T. Dow, Davenport, Iowa; A. L. Chamberlain, Port Huron, Mich.; L. M. Lambert, New York City; R. S. Kaiser, New York City; Everett Choat, Toronto, Ont.; Frank Choat, Toronto, Ont.; Max Cohn, Buffalo, N. Y.; J. F. Lapin, Buffalo, N. Y.; Gerald O'Hara, Glasgow, Scotland; K. Erickson, Kansas City, Mo.; S. W. Scott, Chicago, Ill.; E. F. McCarty, Houston, Texas; J. B. M. Wilcox, Kansas City, Mo.

RECEIPTS AND SHIPMENTS FOR SEPTEMBER

BALTIMORE—Reported by James B. Hessong, secretary of the chamber of commerce:

	Receipts	Shipments	1930	1929	1930	1929
Wheat, bus...	816,883	1,183,411	591,656	115,858		
Corn, bus...	53,139	57,398				
Oats, bus...	31,810	59,520				
Rye, bus...	6,736	19,638				
Barley, bus...	2,652	90,171				
Malt, bus...	63,189	27,088	30,916			
Hay, tons...	1,021	59				
Mill Feed, tons...	2,458	1,287				
Flour, bbls...	119,370	117,634	40,782	40,691		

CHICAGO—Reported by Lyman C. West, statistician of the board of trade:

	Receipts	Shipments	1930	1929	1930	1929
Wheat, bus...	2,054,000	2,365,000	2,699,000	2,002,000		
Corn, bus...	5,963,000	6,278,000	2,751,000	3,425,000		
Oats, bus...	3,074,000	3,388,000	1,822,000	3,037,000		
Barley, bus...	2,345,000	789,000	240,000	511,000		
Rye, bus...	1,542,000	394,000	553,000	14,000		
Timothy Seed, lbs...	8,999,000	3,363,000	6,997,000	4,111,000		
Clover Seed, lbs...	985,000	1,225,000	1,162,000	165,000		
Other Grass Seed, lbs...	2,597,000	2,420,000	1,532,000	1,226,000		
Flaxseed, bus...	107,000	115,000	6,000			
Hay, tons...	8,675	8,878	1,719	1,002		
Flour, bbls...	1,144,000	1,004,000	788,000	703,000		

CINCINNATI—Reported by J. A. Hallam, chief inspector of the board of trade:

	Receipts	Shipments	1930	1929	1930	1929
*Wheat, bus...	158,400	256,000	304,000	283,200		
*Corn, bus...	229,500	399,000	183,000	366,000		
*Oats, bus...	196,000	144,000	236,000	140,000		
*Barley, bus...	28,800	17,600		1,600		
*Rye, bus...	61,100	33,600	67,200	48,000		
Grain Sorg-hums, bus...	1,400	1,400				
Hay, tons...	4,752	4,587				
Feed, tons...	630	570				

*Estimated.

DENVER—Reported by H. G. Mundhenk, secretary of the grain exchange:

	Receipts	Shipments	1930	1929	1930	1929
Wheat, cars...	122	416	16	17		
Corn, cars...	231	184	95	28		
Oats, cars...	39	43	21	16		
Barley, cars...	66	82	6	30		
Rye, cars...	2	5		2		
Mixed Grain, cars...	2	4				
Beans, cars...	202	122	12	27		
Kaffir Corn, cars...						
Hay, cars N...	103	58				

DULUTH—Reported by Charles F. MacDonald, secretary of the board of trade:

	Receipts	Shipments	1930	1929	1930	1929
Wheat, bus...	19,872,695	13,519,825	16,720,027	11,193,230		
Corn, bus...	246,595	214,267	208,000	168,000		
Oats, bus...	2,623,676	849,694	1,273,445	609,771		
Barley, bus...	2,678,506	3,043,707	2,256,911	3,358,727		
Rye, bus...	1,639,636	1,708,001	1,462,107	1,262,082		
Bonded Wheat, lbs...	137,285	1,313	2,998			
Bonded Barley, lbs...	1,846	1,784	44,605			
Flaxseed, bus...	3,009,400	1,321,504	1,610,681	687,712		
Flour, bbls...	638,535	592,425	691,395	620,435		

FORT WILLIAM, ONT.—Reported by E. A. Ursell, statistician of the Board of Grain Commissioners for Canada:

	Receipts	Shipments	1930	1929	1930	1929
Wheat, bus...	49,040,249	27,759,127	32,360,898	17,745,009		
Corn, bus...			6,567			
Oats, bus...	1,851,883	265,577	900,905	1,499,887		
Barley, bus...	6,222,599	6,104,377	3,964,070	578,113		
Rye, bus...	2,160,428	1,251,577	888,803	273,443		
Flaxseed, bus...	167,206	50,920	223,169	116,878		
Mixed Grain, bus...			61,857	4,160		
	29,830	117,597				

GALVESTON—Reported by George E. Edwardson, secretary of the cotton exchange and board of trade:

	Receipts	Shipments	1930	1929	1930	1929
Wheat, bus...			3,710,233.40	2,417,600		
Barley, bus...				55,000		
Kaffir Corn, bus...				12,857		

HOUSTON—Reported by W. J. Peterson, chief grain inspector of the merchants' exchange:

	Receipts	Shipments	1930	1929	1930	1929
Corn, bus...			773,000	751,817		

INDIANAPOLIS—Reported by William H. Howard, secretary of the board of trade:

HAY, STRAW AND FEED

❖ ❖ ❖ Quality Feeds Reason for This Mill's Success

By A. W. WILLIAMS

UNDER the direction of J. Logan Marshall, president, the Kentucky Feed Mills, Inc., known until recently as the Kentucky Feed & Grain Company, has shown steady and remarkable growth. Quality materials, scientifically blended under good formulas, along with good merchandising methods, have all contributed in building this business from a one man, jobbing or brokerage concern, to a feed manufacturing establishment. The business was first started in 1915, when a small office was located in the American National Bank Building. The company entered production of feeds in the fall of 1920.

Between formation of the company with its small one man office and its entry into feed manufacturing, it occupied space with a merchandise brokerage house, and warehoused with another concern

a capacity of approximately 200,000 bushels. The mixing plant has two units, each with a capacity of four bags per minute, which means a capacity of 4,800 bags of feed running full 10-hour days; or 9,600 bags, operating double shifts, of 20 hours. The company has its own steam plant. All equipment is individually motored and electrically operated.

At the start, the plant produced horse and dairy feeds, plus some scratch and poultry feeds, but later full lines were added to include baby chick feeds, mashes of various ginds, sheep and hog feeds, and cattle fatteners. Of course, the company produces or handles many other items, such as Alfalfa meal, ground oats, cottonseed products, tankage, cracked corn, feed meal, mill feeds, oil meal, oyster shells, plus jobbing of corn and oats for the convenience of its trade.

Its chief trade brand has been "Premo," but it markets some of its products under such brands as "Derby," "Success," "Kentucky Star," Kentucky Pride," "Sedan," "Marshall's," "Cherokee," "King Tut," and "Premier."

Mr. Marshall's connection with the feed and grain business dated back six years or more prior to his establishing the Kentucky Feed & Grain Company, he having started as a stenographer and office man for Speed & Menefee, and remained with R. H. Menefee & Co., its successors for some years in the merchandise brokerage business, which included distribution of Purina feeds.

The Kentucky Feed & Grain Company has been closely associated with the Louisville Seed Company, a very successful Louisville organization, which does a large seed jobbing business. J. Logan Marshall, while president of the Kentucky Feed Mills, is not connected with the Louisville Seed



JOE D. MARSHALL, SALES MANAGER

railroad siding capacity for 10 cars. It also has tankage facilities to accommodate 12 tank cars of molasses.

In production of horse feeds the company produces what is known as green feed, where use of green molasses results in the choice Alfalfa retaining its green color, whereas if black strap is used, it becomes slightly brown. Of course, it produces both green and brown feed, the green feed being somewhat higher, as green molasses sells at from one to two cents a gallon premium over brown, according to market conditions at the time. In horse feed the company features crimped oat feeds.

In its line, the company quotes an average of seven horse and mule feeds; seven dairy feeds; a cattle fattener, six poultry mashes, nine scratch feeds, a hog feed, a sheep feed, as among products



J. LOGAN MARSHALL, PRESIDENT

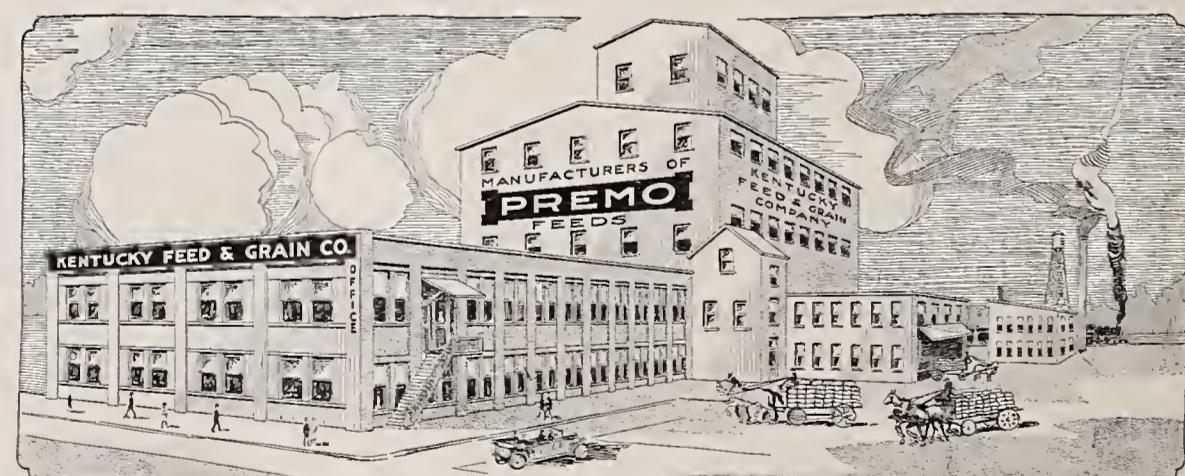
at Fourteenth and Walnut Street, growing until it had its own warehouse and offices at Eighteenth street and Magnolia Avenue. In its early days it jobbed flour along with feed and grain, but upon erecting its own manufacturing plant and elevator it dropped the flour business. This new plant is located on Fifteenth Street, near Magnolia Avenue.

The company is incorporated with capital stock of \$200,000, under the laws of Kentucky.

In the recent changing of its name to the Kentucky Feed Mills, Inc., it was believed that this name would better designate the business, as the company is a feed manufacturing organization, and while it handles grain, this latter line is chiefly for the convenience of its customers, and not a real active feature of the business.

From a one man organization this business has been developed in the short span of 15 years to one employing 50 people, and operating in 15 states. The bulk of its business is in Kentucky, Tennessee, Virginia, West Virginia, and the Carolinas, but it also does considerable business in Indiana, Ohio, Illinois, Missouri, Georgia, Alabama, Florida, Mississippi, Pennsylvania and Maryland.

The plant occupies a space of 335 by 180 feet, the office and warehouse section being two stories, while the elevator is seven stories. The latter has



Company, but George E. Hays, president of the seed company, is vice-president of the Feed Mills; and his brother, Harvey D. Hays, vice-president of the seed company, is secretary of the Feed Mills. Joe D. Marshall, who for a number of years was actively connected with the Louisville Seed Company, of which he is treasurer, for the past five years has been actively connected with the Kentucky feed concern, of which he is sales manager. Joe D. Marshall is a brother of J. Logan Marshall. The remaining officials of the Kentucky feed company are C. Z. Strunk, treasurer; Frank P. Barnes, traffic manager, and Joe H. Henehan, assistant sales manager.

The plant, located on the Illinois Central, has

of its own manufacture. It also handles Blatchford's calf meal.

Development of this company from a brokerage basis to a manufacturer in five years, and from a small manufacturer to a relatively large independent producer in 10 years more, implies good product, good management, and efficient selling or marketing methods. Rapid development is never merely a question of luck in an industry where competition is as keen as it is in the feed manufacturing and distributing business. It is more a question of finding out just what the consumer or the trade desires and proceeding to develop the product and supply the demand.

"Good feed," says Mr. Marshall, "must contain

quality material, scientific blending, and give maximum feeding results, with minimum cost, which is a rather large sized order to start with. The feed business requires a great deal of personal attention and hard work. It is no bed of roses, especially when consideration is given to the fluctuations in the grain market during the various seasons and the more excitable periods.

"For instance, we started producing feeds in the

fall of 1920 right in the face of a grain market slump and at a time when business was somewhat off. It was hard work to make a good showing at the start, but it probably helped us, in that we started with a fight on our hands to make money under adverse conditions. Realizing from the start that we had a real task to perform made us hustle, and as a whole we feel very well satisfied, or pleased is a better word, with our first 10 years in

the manufacturing end of the business. Naturally, we are not satisfied, as we want to grow a whole lot more. If you become satisfied, you are prone to become lazy, and lazy folks find the feed manufacturing business a rather strenuous line of endeavor. It is a business that you have to sit up with, whether it is sick or well. It has to be watched closely, and given the right tonics at the proper time."

Grinding Wheat for Feed

Federal and State Agencies Report Formulas and Specific Advice as to Utilization of the Surplus Wheat

THE important question before feed manufacturers in connection with feed wheat in the 1930-31 season is not what the total diversion of wheat for this purpose will finally be. The real problem is how wheat can be ground and proportioned with other ingredients to make productive rations.

Whether the statistician who says 110,000,000 bushels will be this season's feed wheat total is wrong by 50 or 100 per cent is a topic of some speculative interest but of no practical value.

In response to inquiry for specific information from the AMERICAN MILLER, several leading university experiment stations have submitted the following material. In some cases, their contributions are supplementary to formulas and information previously published in these pages.

George C. Humphrey, replying on behalf of the University of Wisconsin, states: "We do not hesitate to recommend the use of wheat as a substitute for corn, when the price of wheat and the grade of wheat falls in a class with corn and the price or availability of wheat favors its use. Sometimes wheat that is available on given farms contains a lot of chaff and foreign material which would reduce its feeding quality in comparison with a good grade of corn. We specify good wheat."

"Recently in figuring some 16 per cent rations for the benefit of our local feed service concern, we incorporated one formula including wheat. The price of wheat bran and shorts in comparison with corn leads to the conclusion that wheat might better be used as a substitute for cereal grains like corn, barley, and sorghum grains."

"For all practical purposes ground corn, ground barley, hominy feed, and ground wheat may be substituted for one another or mixed more or less to serve for one another in the following mixtures. For high producing cows in the early stage of lactation, an extra amount of protein-rich feeds like linseed meal should be added to the ration or substituted for a given amount of the regular grain mixture. Ration No. 3 is the ground wheat formula."

(1)	(2)	Lbs.		
Corn meal	200	Ground barley	200	Lbs.
Ground oats	300	Ground oats	300	
Wheat bran	200	Wheat bran	300	
Linseed meal	200	Gluten feed	100	
Crude protein content	16.6%	Linseed meal	100	
		Crude protein content	16.5%	
(3)	(5)	Lbs.		
Ground wheat	200	Hominy meal	200	
Ground oats	200	Ground oats	200	
Ground barley	200	Wheat bran	300	
Wheat bran	100	Gluten feed	300	
Gluten meal	200	Crude protein content		
Crude protein content	16.8%			
(4)	(6)	Lbs.		
Corn and cob meal (finely ground)	300	Linseed meal	100	
Ground oats	300	Gluten feed	100	
Wheat bran	200	Cottonseed meal	120	
Linseed meal	100	Wheat bran	240	
Gluten meal	100	Wheat middlings	300	
Crude protein content	16.6%	Corn meal	400	
		Ground oats	340	
		Ground barley	340	
		Crude protein content		
		16.3%		

(7)	Lbs.
Ground corn	400
Ground oats	400
Gluten meal	200
Crude protein content	16.9%

The South Dakota State College, through J. W. Wilson, experiment station director, says: "Sometime ago I conducted an experiment in feeding whole wheat to lambs. The results were as follows: It required 5.7 pounds of bread wheat and 5.4 pounds of shelled corn, each, to make a pound of gain. The gains for the lambs were .27 of a pound and .29 of a pound respectively. These lambs did well on the wheat, and were fat at the close of the experiment.

"Before leaving the farm to attend college at Ames, Iowa, I fed a bunch of hogs wheat for the purpose of fattening them. I started with the whole wheat, but soon found this was not the way to feed it. Then, I fed them wheat that was ground coarsely. They did well on this, fattening readily. This was at a time when wheat was cheaper on the market than corn. I think we should feed part of our wheat, since we have a scarcity of corn this year."

Many large feed manufacturers are replacing much of their corn tonnage with wheat. The Quaker Oats Company, for example, has not released exact figures, but it is understood that a 50 per cent substitution of corn with wheat already has been effected for its poultry feed division.

To resume the experiment station data: E. S. Good, for the University of Kentucky, states: "I see no reason why wheat cannot be substituted for corn in the feeding of hogs, sheep, poultry and to a considerable extent for beef cattle and dairy cattle. We are recommending the use of wheat wherever possible in the feeding of livestock in Kentucky."

"Of course wheat bran contains considerable more protein and less of the carbohydrates than does wheat, wheat bran having a nutritive ration of 1:3.9 and wheat 1:7.7. The same holds true with the shorts, the nutritive ration being 1:4.2. In other words, we would call wheat a carbonaceous or fat-forming feed and the bran and shorts are nitrogenous or muscle and bone building feeds."

"I would say in a broad way, with the exception of the feeding of horses, that wheat can be substituted for corn in the feeding of our livestock. It should be rolled and mixed with a bulky concentrate such as crushed barley. This will avoid digestive troubles and skin eruptions caused by feeding wheat alone to the horse."

H. P. Davis, of the University of Nebraska, says: "The dairy husbandry department has conducted no experiments with the feeding of wheat as compared with some of the other grains which are used, but I am personally convinced that wheat may be substituted for corn up to half the dairy cow ration. It is true that the wheat will supply a little more protein than the corn but I do not believe the difference is significant."

William L. Loel, Nebraska station, reports on wheat as hog feed as follows: "Although the

Nebraska Experiment Station has at the present time two investigations under way to determine the feeding value of wheat, we need not wait for the completion of these feeding tests but may take advantage of our present knowledge. During the late summer and early fall of 1923, the Animal Husbandry Department fed four lots of college-raised spring pigs weighing 92 pounds per head for a total of 80 days. All lots were fed in dry lot. Lot 1 received corn and tankage in a self-feeder free choice. Lot 2 was self-fed whole wheat and tankage. Lot 3 was self-fed coarsely ground wheat and tankage free choice. Lot 4 was hand-fed ground wheat and tankage. The wheat was coarsely ground and soaked from one feed to the next. Just before feeding, tankage was mixed with the soaked ground wheat. The amount of tankage was approximately the same as consumed by Lots 2 and 3, which were self-fed wheat and tankage.

"The pigs in Lot 2 consumed more wheat than the corn consumption of the check lot. This is in accord with other experiments carried on, since wheat appears to be more palatable to pigs than corn. The pigs in Lot 2 ate less tankage which is as might be expected since wheat contains more protein than corn. Where wheat was fed, the pigs gained 1.37 pounds per day as compared to 1.29 pounds daily with corn, a difference of .08 of a pound in favor of the wheat ration.

"To produce 100 pounds of gain, 393 pounds of wheat were required; whereas, 403 pounds of shelled corn were required to produce an equal gain. From the standpoint of grain required to produce 100 pounds of gain, whole wheat proved almost 3 per cent more efficient than shelled corn. However, this is only part of the story since 18 pounds less tankage were required to make 100 pounds of gain with wheat.

Effect of Grinding

"In Lot 3, where the wheat was coarsely ground, more wheat and more tankage were consumed and the average daily gain increased from 1.37 to 1.49 pounds. The largest gain and also the most efficient gain of the entire series was made by Lot 3, 377 pounds of ground wheat and 25 pounds of tankage being required to produce 100 pounds of gain in this lot. The coarse grinding increased the efficiency of wheat approximately 4 per cent. With this in mind, it is evident that it is more profitable to grind wheat when it is high in price than where prices are very low. Some feel that by soaking feed they can increase the daily feed consumption. This did not prove to be the case in this trial."

Inasmuch as the feed wheat situation this year has been compared, repeatedly, with that which existed in 1901, the following experiment with wheat as a fattening feed, conducted between November 30, 1901, and May 7, 1902, at the Nebraska station, is of interest.

Four lots of steers, weighing 1,000 pounds a head, were fed experimentally to ascertain the relative feeding value of wheat and corn as a grain ration for fattening steers. The experiment was divided into two periods. The rations for Period I were as follows:

Lots 1 and 3 received a grain ration of 80 per cent wheat and 20 per cent bran. Lot 2 and 4 received a grain ration of 80 per cent corn and 20 per cent bran. All lots received Alfalfa hay.

The rations for Period II were as follows: Lots

1 and 3 received a grain ration of 70 per cent wheat, 15 per cent corn and 15 per cent oil meal. Lots 2 and 4 received a grain ration of 70 per cent corn, 15 per cent wheat and 15 per cent oil meal. All lots received about one-half their roughness in Alfalfa hay, one-fourth in prairie hay and one-fourth in wheat straw.

The gains of Lot 1 on a wheat ration exceeded those of Lot 2 on a corn ration by 16 pounds per head. The gains of Lot 3 on a wheat ration exceeded those of Lot 4 on a corn ration by 22 pounds per head. The wheat-fed steers required 7.38 pounds of concentrate and 4.47 pounds of roughage to produce one pound of gain, while the corn-fed steers required 7.79 pounds of concentrate and 4.69 pounds of roughage per pound of gain.

This experiment indicated that the feeding value of wheat for cattle was 5 per cent greater than that of corn.

In this experiment wheat was charged at 66 cents per bushel or \$1.10 per 100 pounds. Corn was charged at 56 cents or \$1 per 100 pounds. At the present time wheat is selling at approximately 10 cents less per bushel than corn. Upon this basis there would be an even greater financial advantage in the use of wheat than was obtained by the experimenters in this project.

Wheat at its present low prices is an economical substitute for corn in the poultry ration, according to Paul B. Zumbro, extension poultryman, Ohio State University.

The usual recommendation for the grain mixture in the Ohio mash and grain laying rations is three-fourths corn, and one-fourth wheat. Zumbro suggests that this proportion be changed to three-fourths wheat and one-fourth corn while the price of wheat is under that of corn. When a larger proportion of wheat is used in the ration, more green feed should be fed as wheat does not contain as large an amount of vitamin A as Yellow corn. More alfalfa leaf meal in the mash is one means of caring for this difference, Zumbro advises.

Other satisfactory mixtures are: Two or three parts wheat, two corn, and one of oats, or two wheat, one corn and two oats.

When the price of corn is \$1 a bushel, says the Federal Department of Agriculture, the value of wheat for feeding poultry and sheep is about \$1.07, and for feeding hogs and beef cattle, \$1.12, the department says. For all-purpose feeding, the department points out, a pound of cracked wheat or of cracked barley, or a pound of the two mixed in any proportion, is equal in feeding value to a pound of corn.

"As a member of the Federal Farm Board," says W. F. Schilling, "representing particularly dairy and poultry products, I am anxious to see more farmers use wheat in producing milk, poultry, and eggs. More dairymen should feed cottonseed. In doing so, they can kill two birds with one stone. First, from a selfish point of view, they will be able to lower their production costs by using these feeds. Second, they are helping the producers of wheat and cotton in solving their surplus problems.

"It is quite natural for farmers to become discouraged when they are forced to sell their eggs at eight to nine cents a dozen less, chickens from four to five cents a pound less, and dairy products several points below 1929 price level, as they have been doing within recent weeks. Of course, that seriously affects the pocketbooks of every one who produces these farm products. Counteracting this unfavorable side of the picture is the fact that wheat—a good cow and chicken feed—can be bought at from 40 to 50 cents a bushel less today than last year. A dairy farmer can buy wheat bran from one-fifth less than he paid for it a year ago, and cottonseed, another excellent dairy feed, for almost a third less than it cost last fall.

"These lower feed prices are at least partially the result of American farmers producing big surpluses of wheat and cotton, two of the country's great staple crops. Wheat is within reasonable shipping distance of almost every dairy farm in this country, and can be used liberally in the milk cow's feed mixtures.

"It has been recently announced by Federal nutri-

tion experts that in a general way, and for all-purpose feeding, a pound of cracked wheat or a pound of cracked barley, or a pound of both in any proportion, is equal in feeding value to a pound of corn. Farmers whose corn crops are short can now save money by substituting wheat and barley, pound for pound, for corn, and in feeding those grains in the same ways and in the same combinations as they have heretofore fed corn, according to these experts.

"Both wheat and cottonseed meal are included in mixtures recommended by the United States Department of Agriculture where dairymen do not have alfalfa, clover and similar legume hays but do have silage or such nonlegume hay as timothy. They may feed equal parts of wheat, cottonseed meal, oats and gluten feed with timothy and silage.

"I have given you this mixture as an example to show how wheat and cottonseed meal can be used. Both wheat and cottonseed may be fed to dairy cows in a variety of mixtures. They should be rolled or finely ground. Some dairymen object to feeding wheat because of its stickiness, when finely ground, but it has been found that when mixed with twice its weight of other feeds, wheat will not become gummy.

Wheat as Corn Substitute

"Cracked wheat makes a good feed for laying hens or growing chickens. It is often used as the dominating grain in chicken mashes and scratch feeds."

HAY DE PRAIRIE

The American drought has aroused the French spirit of business. The Eades Hay Company at Kansas City recently received a letter from R. Dalleas and R. Lespes, Bordeaux, France, hay dealers, who asked the best bids the Kansas City company could make for natural "hay de prairie," "crushed in bales," first and second cutting Alfalfa hay, and wheat and barley straw.

ESTIMATE OHIO'S FEED INTAKE AT \$10,000,000

Ten-million dollars will be spent by Ohio feeders this season in buying feeds outside of the Buckeye state. As a result of the drought this year, this expenditure will be necessary to maintain the state's stock during the coming winter, according to C. R. Arnold, of the Ohio State University.

Ohio farmers are planning to keep only 3 per cent less cattle, 9 per cent less hogs, but 31 per cent fewer beef cattle than a year ago, according to survey reports to the university.

FEED SHORTAGE BEARS HEAVIEST ON LIVESTOCK AREAS

Considerably larger than usual shipments of feeds into livestock producing areas this fall and winter are expected by the Bureau of Agricultural Economics of the United States Department of Agriculture as indicated in its October report on the agricultural situation.

"While the country's feed crops perhaps are sufficient as a whole, a large volume must be transported into the deficit areas," the bureau says. "Even the local distribution of supplies is very abnormal. Kansas, for example, has a corn crop nearly 70 per cent as large as last year's but two-thirds of the corn is in about 30 of the 105 counties, where cattle are comparatively few. Although wheat and other small grains may be substituted for corn quite extensively, this involves transportation. All reports indicate that farmers everywhere are storing fodder, straw, silage and all possible feedstuffs."

The bureau reports that the production of livestock products has already fallen off as a result of the drought, and expresses the belief that production of these commodities "will continue to decline."

"This season," says the bureau, "will go down as one of the great drought years, the fifth since the Civil War. In 1901, the last previous one, corn yielded 17 bushels to the acre. The forecast this fall is for a little over 19 bushels per acre, whereas in the average year production is slightly more

than 28 bushels. Moreover, large areas in the eastern half of the country are still suffering acutely from dry weather. Not only have the late crops such as corn, potatoes, beans, and buckwheat been reduced but the new Clover and Alfalfa seedings and even many old meadows are past help, thus carrying the problem over into next year."

HAY; WAR; FIRE; \$30,000 LOSS

The danger in storing hay or letting it stand when attacked by moisture, was illustrated by D. J. Price, Government engineer, when he addressed the International Association of Fire Fighters last month in Halifax, N. S., Canada.

"During the World War," he said, "a very large shipment of new straw, oats, and hay had been piled in the vicinity of the remount station at Battle Creek, Mich. Some of the piles were over 60 feet high and the few intervening passageways were very narrow. Shortly after the straw was unloaded from railway cars and placed in the piles, there were three or four days of rainy weather followed by warm typical Indian summer days. Late one afternoon a column of smoke was observed at the top of the straw pile.

Soldiers mounted the pile and began to move the piles of straw but it was found that the fire was beneath the surface and at the center of the pile. A large force of soldiers was put to work tearing down the pile. Suddenly, without warning, the straw burst into flame. The regular camp water supply was not yet in service and as a result the entire mass of straw and hay and a good portion of the oats were totally destroyed with a loss estimated at \$30,000."

ELEVATOR FEEDS SOURCE OF HIS POULTRY PROFIT

The test of a poultry ration is not whether it is a home or mill-mixed ration, but whether the basic formula is good. D. L. Wiegmann, an Illinois correspondent of the *Poultry Tribune*, writes concerning his experience with feed ingredients purchased at local elevators, as follows:

"Sixteen years I have used commercial mashes. About a year ago I thought I would give home-mixed rations a trial. Our grain elevators sold all kinds of ingredients, did grinding and mixing reasonably and besides our local egg prices were never any too good. I finally hit upon a mash formula that kept my egg yield up and steady and my breeders in good shape so they produced livable chicks, and as I used the feeds that were the cheapest at our elevators, the mash is very economical and most appropriate now, as corn is scarce and high."

"Here is my mash formula: 200 pounds each of bran and shipstuff or middlings, 100 pounds each of ground wheat, ground oats, ground shelled corn, 150 pounds meat meal and 20 pounds poultry minerals. The last batch of this feed I bought cost me, all told, including mixing and delivery to my place, \$2 per 100 pounds, where a well known brand of laying mash is selling at \$3.15 a 100 pounds in ton lots.

"I also mix my own growing mash with like success. I, for one, shall never go back to commercial mashes with exception of the commercial chick starter."

FEED FOR BULLS

The herd bull influences so many individuals in the herd that it is very important that he be wisely selected and properly cared for. Exercise, shelter, and proper feeding are of prime importance in keeping the herd bull in the proper condition. Dealers should caution against the false economy of feeding scant or poor-quality rations to this animal.

The bull's feed should be of the best quality and the amounts of concentrates and roughages should be adjusted, from time to time, to insure a vigorous and healthy condition. A grain ration, composed of two parts corn meal, two parts ground oats, two parts wheat bran, and one part cottonseed meal has given excellent results.

GRINDING ADDS 15 TO 22 PER CENT TO FEED-WHEAT VALUE

In response to inquiries from this office on the subject of grinding wheat for feed, two state experiment stations, in particular, emphasize the need for correct grinding and the value added to wheat as feed by processing.

W. L. Robison, of the Ohio station at Wooster, declares: "Wheat can be used as a complete substitute for corn with satisfactory results. In fact, after it is ground, wheat is worth about 7 per cent more, on the average, than an equal weight of corn. Grinding increases its feeding value 16 to 20 per cent. It should be crushed or coarsely ground, rather than finely ground. When finely ground it forms a pasty mass in the animal's mouth, which is difficult to masticate. I have talked with several men who have been feeding wheat this season, and they all report excellent results from its use."

"Bran is of little value for the feeding of hogs. It is very fibrous in character, and is seldom used as a hog feed, except in a few instances for the feeding of brood sows nursing pigs, or to brood sows just prior to farrowing time, when they are not running on pasture of any kind. The feeding value of shorts for hogs is very often overestimated."

"Feeding tests have shown shorts, or middlings, even of the better grades, to be worth only about 90 per cent as much, pound for pound, as corn. Ordinarily they sell for a price considerably higher than this. A suggested ration for pigs from 50 to 100 pounds in weight, which are not on pasture, would be one of:

	(Per Cent)
Ground wheat	79.9
Fish meal or tankage.....	10.4
Linseed meal or cottonseed meal.....	5.2
Ground alfalfa or alfalfa meal.....	3.0
Minerals	1.5

Another ration for pigs of the same weight would be:

	(Per Cent)
Ground wheat	53.5
Ground oats	30.0
Fish meal or tankage.....	8.0
Linseed or cottonseed meal.....	4.0
Alfalfa meal	3.0
Minerals	1.5

For pigs over 100 pounds in weight, rations made up of the same feeds could be prepared as follows:

	(Per Cent)
Ground wheat	84.4
Fish meal or tankage.....	7.4
Linseed or cottonseed meal.....	3.7
Ground alfalfa	3.0
Minerals	1.5

	(Per Cent)
Ground wheat	64.3
Ground oats	22.8
Fish meal or tankage.....	5.6
Linseed or cottonseed meal.....	2.8
Alfalfa meal	3.0
Minerals	1.5

Data from Oklahoma

Chemically, wheat has very nearly the same composition as corn. It does, however, contain a little more protein and can be fed to hogs with satisfactory results by using less protein supplement than where corn or barley is used. Corn contains one pound of digestible protein to approximately 10 pounds of digestible carbohydrates and fats, whereas wheat contains one pound of digestible protein to seven pounds of digestible carbohydrates and fats.

Experimental results at the Oklahoma station, reported by C. P. Thompson, of Stillwater, show that where whole wheat is compared with whole corn, that 90.3 pounds of shelled corn was equal in feeding value to 100 pounds of whole wheat. In other words, if wheat is to be fed whole, it is worth approximately 10 per cent less than corn pound for pound. *If the wheat is ground or rolled, however, the results are entirely different. As a matter of fact, where wheat is ground or rolled and compared with corn fed shelled, 100 pounds wheat is equal in feeding value to 110 pounds of ground corn.*

Inasmuch as only from 3 to 5 per cent is added to the feeding value of corn by grinding, and grinding is not considered a profitable practice with corn, it is best to compare ground wheat with shelled or ear corn as to feeding value. Making

such a comparison it is found that 100 pounds of ground wheat is equal in feeding value to 113 pounds of shelled corn.

It will be obvious from the above statements that wheat must be ground before feeding to insure satisfactory and economical results. A saving of from 15 to 22 per cent is secured by grinding wheat. Ground wheat is also more palatable and larger gains will be secured, but it should not be ground too fine.

As wheat shorts are usually cheap, when wheat is cheap, it is advisable to feed some wheat shorts, too, in the ration. A good combination that will give economical and satisfactory results is 80 pounds of ground wheat, 20 pounds of wheat shorts and one pound of tankage.

Figuring on a basis of 425 pounds of wheat and protein supplement to produce 100 pounds of pork, and hogs selling at 10 cents per pound, it is safe to assume that wheat will return a profit of approximately \$1.25 per bushel. "At the present time," says Mr. Thompson, "when feeding wheat to hogs, the things to keep foremost in mind are that wheat must be ground, fed moist, and that wheat, when ground, has slightly greater feeding value than corn, and last, that some protein supplement, such as tankage, skim milk or wheat shorts, should be fed with wheat, to get best results."

FEED-WHEAT TRIAL IN MAINE

The political theory that "as Maine goes, so goes the nation," has a parallel in the field of economic feeding. At least, the feed experts in Maine were among the first to recognize the high feed value of the bread grain under such market conditions as exist today. J. M. Bartlett, chemist of the experiment station at Orono, Maine, informs this publication:

"Several years ago there was a shortage of corn and a good crop of wheat; consequently wheat became cheaper than corn in the East. At that time our experiment station made some short time feeding experiments comparing wheat with corn as a grain ration. The ration fed was 18 pounds of Timothy hay, five pounds of wheat meal, and two pounds of cottonseed meal. The corn ration was the same except five pounds of corn meal were used instead of five pounds of wheat meal. The experiment was made with dairy cows.

"In the short trials the wheat seemed to be more efficient than the corn. Of course the wheat ration furnished a little more protein than the corn ration. With the wheat ration the cows gave just as much milk and put on a little more flesh than with the corn ration."

MINERAL FEED VOLUME UP

Approximately 498,887 tons of commercial feeding stuffs with a retail value of \$26,491,777 were sold in Indiana in 1929. This estimate was based on the number of tags or labels issued by the state chemist. Compared with the sales of 1928, the banner year, this shows a decrease of 25,589 tons and a corresponding decrease of \$3,326,789 in expenditures.

The principal decreases in tonnage sold during the year 1929 compared with 1928 were for hominy feed, corn feed meal, mill by-products, proprietary feeds, and condimental stock feeds while the principal increases were for poultry mashes, linseed oil meal and mineral feeds.

During 1929 the state chemist advised the withdrawal from sale of 620.7 tons of commercial feedingstuffs on account of non-tagging, deficiency and misbranding. Of this amount 476.7 tons, representing 170 shipments, were removed from sale on account of non-tagging and 90.1 tons, representing 29 shipments, were removed from sale due to protein deficiency. During the year, the sum of \$773 was refunded on 93 shipments by 63 feed manufacturers. The payment of refunds does not affect the right of anyone to call cases of deficiency to the attention of the prosecuting attorney. However, by making these refunds the manufacturer indicates his good intentions and does all that he can to correct the violation of the law.

MORE POINTERS ON FEED-WHEAT

By C. W. CAMPBELL*

A brief statement regarding wheat as a feed for livestock seems quite worth while at this time. Since its adaptability as a feed and the form in which it should be fed varies with different classes of livestock, the feeding value of wheat will be discussed separately for different classes of livestock.

Wheat is more satisfactory as a feed for hogs than it is for any other class of livestock because hogs like wheat better than other animals do. It does not cause digestive or other disturbances in hogs, and hogs may be fed all the wheat they will eat. *Wheat must be ground for hogs, preferably coarse, and when ground, a pound of wheat is worth as much or slightly more than a pound of unground corn, as a hog feed.* Since a bushel of wheat weighs 60 pounds and a bushel of corn 56 pounds, we may, for all practical purposes, figure that a bushel of wheat, after it is ground, is worth 10 per cent more than a bushel of corn. Wheat, like corn, must be supplemented with a rich protein feed for best results when used as a hog feed.

For Horses

Wheat should be *ground or rolled* if used as a horse feed. It has the same nutritive value for horses that it has for hogs. However, it can not be fed in unlimited amounts to horses as it can to hogs. It must be fed to horses in limited amounts as part of the grain ration. If fed in large amounts digestive disturbances and skin eruptions result.

Wheat may be fed unground to sheep, and in this form a pound of wheat is worth as much as a pound of corn, and a bushel of wheat approximately 10 per cent more than a bushel of corn.

For Beef Cattle

Wheat must be ground for beef cattle. It has the same nutritive value for cattle that it has for other classes of livestock, but since cattle do not like ground wheat as well as other classes of livestock like it, and not so well as they like corn, they will eat less ground wheat than they will corn and will therefore not gain as rapidly on ground wheat as they will on corn. Ground wheat has been used as the grain portion of cattle fattening rations during the entire feeding period with fairly satisfactory results, but for best results it probably would be best to feed ground wheat during the earlier part of the feeding period, follow with ground wheat and corn half and half, then feed corn alone during the last 30 days.

In addition to the foregoing statements, one usually figures that a bushel of wheat is worth 70 per cent as much as 100 pounds of shorts, and 80 per cent as much as 100 pounds of bran.

*Kansas State Agricultural College.

PARTICIPATION OF DEALERS IN SPECIAL FEED RATES

By H. B. DORSEY

Secretary, Texas Grain Dealers Association

When agitation started in regard to reduced rates for drought stricken districts, I immediately took the matter up with Secretary Hyde and Chairman Legge, of the Federal Farm Board, calling their attention to the fact that the independent grain dealers were more interested in the grain producers than anyone else, and had the experience and facilities for handling grain and feed and could be of more service than anyone else in assisting to relieve the feed shortages in what is termed the drought districts. I called their attention to the fact that heretofore in a similar situation the handling of feed commodities were placed in the hands of the county agents and so restricted that real needy persons were discriminated against, as they were compelled to pay full rate which the dealer had to pay.

I also called their attention to the fact that the United States Grain Corporation at the beginning of the war undertook to do away with the grain dealer, but a conference convinced those in charge that dealers were in better position to handle the situation than anyone else.

I have also taken the matter up with Governor

Moody, of Texas, and he advised that he had referred my letter to O. B. Martin director of the co-operative extension work of the United States Department of Agriculture and the A. & M. College of Texas, who had been appointed chairman of the drought-relief committee. I am in receipt of a letter from Chairman Martin, which contains the following:

"A county agent or authorized representative, assured that the applicant is entitled to the benefit of emergency reduced rates, may issue certificates to dealers when definite guarantees satisfy the county agent beyond any reasonable doubt that the farmer-consumer receives directly the entire benefit of the rate reductions. Grain dealers have a chance to help out a great deal."

A dealer or consumer, who wants to avail himself of this reduced feed rate, will have to get a certificate from the county agent, and in this certificate the point of shipment and destination will have to be named, and there will be no transit rules or diversions on the reduced rate shipments.

You will note that all you have to do is to show the county agent or the Government agency handling the matter, that you do not get the benefit of reduced rates, and I am sure you can do this as it is a well known fact that the dealer does not pay the freight as its usually deducted from shipments of grain in buying same and added to the consumer when feed shipments are made, and I am sure you will have no trouble showing any reasonable man that grain dealers do not profit by rate reductions, as on delivered sales the rate is added to the delivered price.

Indiana Dealers Co-operate

At a meeting of the drought relief feed committee and the retail feed dealers of Corydon, Ind., held late in September, articles of agreement were drawn up and signed by all members of the committee and the feed dealers. The feed committee is working with the dealers in locating proper quality feeds at proper prices and under the agreement are satisfied that the handling charges for these feeds will be very reasonable. Some feed oats and shelled Yellow corn have been ordered.

"CHICKEN CHUCKLE," FLUID FEED

The Purdue University Experiment Station at Lafayette, Ind., announces:

"During the past year inquiries have been made regarding certain feedingstuffs of the following brand names manufactured by the Pico Feed Company, Warsaw, Ind.: Chicken Chuckle and Chicken Charmer. Both of these products are registered under the same guarantee as follows: Crude protein not less than 1 per cent, crude fat not less than 1 per cent, and ingredients as blackstrap molasses, corn oil, cocoanut oil, Soybean oil, gelatin and corn syrup. Analyses of samples of these products show that they contain not less than 97 per cent black strap molasses. In addition to this they may contain small amounts of other ingredients. The price quoted for Chicken Chuckle is \$1.50 per gallon. Black strap molasses can be purchased for from 18 to 20 cents per gallon."

FERTILIZERS AND CHEAP WHEAT

During a season of low prices for wheat, the fertilizer sideline of elevators is bound to suffer to some extent, in spite of the demonstrated economy of wheat land fertilizers in any price situation.

That many farmers considered using less fertilizer on wheat this fall is evident from letters coming in to experiment stations. Agronomists of the Ohio station are of the opinion that this is poor economy. Most of the costs of growing the wheat crop are affected but little by the yield obtained. Wheat added to the yield by fertilizer is usually the cheapest wheat that the farmer grows.

Cost-of-production records indicate that the average cost of producing a 20-bushel crop without fertilizer is about 75 cents per bushel, making due allowance for the value of the straw. In a 15-year fertilizer experiment at Wooster, 500 pounds of a 2-12-2 fertilizer, costing around \$8.25 to buy and apply, have produced increases averaging 16.7

bushels of wheat and 1.100 pounds of Clover hay. Figuring Clover hay at the relatively low price of \$10 a ton, the increase in this crop alone would be worth \$5.50. Deducting this from the cost of the fertilizer application leaves \$2.75, or a net cost of only 16.5 cents for each bushel of wheat added to the yield by fertilier. Even with wheat at 80 cents a bushel, one finds little argument for economizing on the fertilizer application.

Agronomists are recommending applications of from 300 to 400 pounds an acre of fertilizers carrying 20 per cent of plant food or equivalent amounts of more concentrated goods. For the darker colored soils, an 0-14-6 or higher analysis of similar ratio is suggested; while the needs of the crop on lighter colored soils can be best met by a 2-14-4 or a higher analysis carrying the same preparations of plant food constituents. For fields that receive manure, straight super-phosphate is believed to be the best fertilizer.

1929 COB PIPE VALUE \$556,031

A distinguished few among the billions of corn cobs that escape the clutches of corn-and-cob-meal grinders each year, escape the funeral pyre and make their way to the very top of a growing American industry. Figures compiled for the Federal Census of Manufacturers show that the corn cob pipes produced last year in the United States were dignified by an official listed value of \$556,031.

Methods of utilizing corn stalks and cobs in industry were among the subjects discussed by Dr. George K. Burgess, director of the Federal bureau of standards, in an address last month before the inter-American conference on agriculture, forestry, and animal industry, in Washington, D. C.

Wastes from the corn and sugar cane plants, said Dr. Burgess, are similar in nature in that they involve the stalks and leaves, and the cob in the case of corn. At least 100,000,000 tons of these products are commercially available annually in the United States, but are largely wasted and await the call for conversion into valuable products, he said.

THE Merrill (Mich.) Farmers Elevator Company recently placed an order for a separator to be placed ahead of its Jay Bee Hammer Mill.

BEANS

SOY BEAN HANDLING

By FRED K. SALE

Secretary of the Indiana Grain Dealers Association

The soy bean season is just now coming on. The elevators will handle more beans this year than last because of increased acreage. To the inexperienced elevator man in handling beans, we might warn him of their danger in heating. They are treacherous and can get hot quicker than grain and spoil easily. Clean the beans as they come in so as to get out the weeds and some of the split beans. Use your moisture tester in determining the amount of moisture. No. 2 Yellow beans (the trading grade will allow 16 per cent moisture, but even that is rather dangerous under certain weather conditions. In testing soy beans use 100 grams of beans, 150 c. c. oil, and shut off heat at 175 degrees. Watch your beans and re-run occasionally for safety.

At a soy bean meeting at Kokomo, Ind., recently, one elevator man had just loaded out his first car of beans. Yield was from 10 to 21 bushels per acre. These were Ito San, an early variety, but later varieties are expected to produce somewhat better yields. The best prices offered by millers now is \$1.15 f.o.b. your station, and they give no assurance of holding it up at that figure. Buy your beans on a proper margin of profit, for really no staple market price is yet established, nor will mills contract with you for futures. You need not

look for a price war by the mills as last year, for we predict you won't see it. It is our guess that the mills won't send out buyers in your territory either. There will be plenty of beans to go around this year, and millers say they will buy beans from the elevators only. We hope so. Keep me advised of their actions in your territory.

For your information, No. 2 soy beans, according to the United States Standards will permit 54 pounds as a minimum weight; 16 per cent moisture; 10 per cent splits; 3 per cent damaged, and 2 per cent foreign material.

U. S. OFFICIAL SOY BEAN GRADES LISTED

For your permanent reference file, the official grades of soy beans are given here. The classes, Yellooy Soy beans, Green Soy beans, Brown Soy beans, Black Soy beans, and Mixed Soy beans shall be divided into five grades for each class, the requirements of which shall be as follows:

U. S. Grade	Condition and General Appearance	Test Wt. per Bu. Lbs.	Maximum Limits of		
			Moisture %	Splits %	Damaged Beans %
Extra	Shall be cool				
No. 1	and of natural odor, plump, well screened and of good color	56	15	0.5	1.0
No. 2	Shall be cool and of natural odor and good color	56	15	1.0	2.0
No. 3	Shall be cool and of natural odor and may be slightly stained or mottled	54	16	10.0	3.0
No. 4	Shall be cool and may be badly stained or mottled and may be slightly frosted and immature	52	17	20.0	5.0
		50	18	30.0	8.0
					10.0

The usual trading grade, of course, is No. 2.

DOLLAR FIRST BEAN POOL PAYMENT

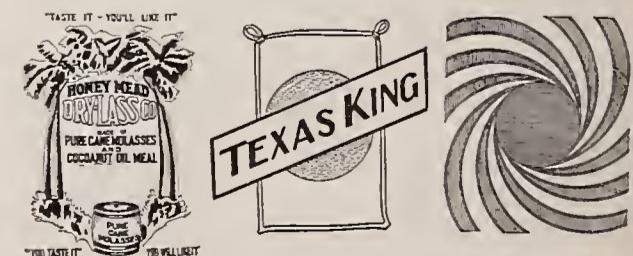
An initial payment of \$1 on No. 2 soy beans was announced by J. W. Armstrong, head of the Illinois Soy Bean Marketing Association, during the last week in September. Additional payments, after producers have delivered their crops to elevators and after the beans have been delivered to processors, are contemplated.

The association, which is said to control most of the state's bean crop, began shipping operations September 22. Ample storage has been promised by elevator managers. J. H. Boyd is manager of the association.

NEW FEED BRANDS

"TEXAS KING" for cow and poultry feed. The Graham Mill & Elevator Company, Graham, Texas. Filed May 14, 1930. Serial No. 300,513. Published September 30, 1930. Claims use since January 1, 1930.

"SWIRL DESIGN" for stock and poultry feed. Pillsbury Flour Mills Company, Minneapolis, Minn.



Filed June 19, 1930. Serial No. 302,597. Published September 9, 1930. Claims use since on or about March 1, 1930.

"DRY-LASS CO." for stock feed. Packer Products Company, Cedar Rapids, Iowa. Filed May 31, 1930. Serial No. 302,006. Published August 26, 1930. Claims use since May 10, 1930.

Farm Law Issue Before Grain and Feed Dealers National Association in Chicago October 13 to 15

Butler, of Nebraska, Elected to Succeed Dow, of Iowa, at Thirty-Fourth Annual Convention; Houston, Texas, Chosen by Directors as Next Rallying Point



PRESIDENT H. A. BUTLER

HOUSTON, Texas, was the city chosen for the 1931 convention when the Grain and Feed Dealers National Association assembled in Chicago, October 13 to 15, for its thirty-fourth annual convention. Hugh Butler, of Omaha, Neb., was elected president, with George A. Booth and W. W. Manning as vice-presidents. The 1930-31 directorate includes Messrs. Watkins, Steele, Moore, Johnston, Clement, Reynolds, Abel, Kessler, Caldwell, Hale, Green, Isely, Koch, Kent, Cook, and Currie.

These men, and the association as a whole, are now committed by convention resolution, to evoke "every lawful method to obtain relief from the supremely vicious piece of legislation, the Agricultural Marketing Act." This act, commonly known as the Hoover farm relief law, was assailed from every angle during the course of the convention.

Counting the Chicago hosts, nearly 1,000 people participated in the convention. On the holiday following Columbus Day, all visitors were shown through the new building of the Chicago Board of Trade. Golf at Olympia Fields and other entertainment features follow in the complete and official record which begins here.

The Opening Session

President Dow: The convention will please come to order. We will please stand while the Reverend John Timothy Stone, of Chicago, delivers the invocation.

Reverend John Timothy Stone: Almighty God, we thank Thee for the spirit within us to ask Thy blessing upon our deliberations. Since those early days when Thou didst promise that seed time and harvest, cold and heat, summer and winter, day and night, should not cease upon the earth, Thou hast been our God, and Thou hast sent Thy rain and sunshine upon the just and upon the unjust. Give unto us, we pray Thee, as we begin these deliberations, the consciousness of Thy presence; bless this land of ours, increase the gifts of the soil, give to us, O God, wisdom to use aright all methods of administration, and give unto us, we pray Thee, the consciousness that as fellow men, we may work together in the brotherliness of earnest service for our nation; the world and humanity. Thus may Thy blessing brood upon these deliberations. We ask it in the Master's name, Amen.

President Dow: It is now a great pleasure to present Mr. John A. Bunnell, president of the Chicago Board of Trade, (Applause) who will welcome us to Chicago, on behalf of the Chicago Board of Trade.

ADDRESS OF WELCOME

Mr. President, guests, and delegates to this convention: On behalf of the officers of the Chicago Board of Trade, I esteem it an honor and a privilege to extend a most cordial welcome to the members of the Grain and Feed Dealers National Association and their guests. We hope that your sojourn in our city may be enjoyable, and that your deliberations may result to your enduring benefit.

Nine years have elapsed since you last met in our city, marking a period of changing conditions in agriculture. The farm problem has been a constant subject of political agitation, and nationwide discussion. So far, however, as the marketing phase of the problem is concerned, one important fact stands out clearly and cannot be controverted. By reason of the remarkably economic and efficient system built up by the grain dealers in conjunction with the organized exchanges of the country, during more than half a century, the American farmer's grain is handled more expeditiously and at a lower cost than exists in any other staple commodity. (Applause)

Surely, so far as marketing grain is concerned, we have the right to expect that citizens generally will not much longer tolerate unintelligent political agitation or uneconomic experiments which have proven so costly and damaging, not only to the grain trade

and the exchanges, but to business in general and especially to the farming population. (Applause)

President Dow: I know every one is pleased to have with us again our old friend and loyal worker, B. E. Clement, of Waco, Texas, a past president of our association, who will respond on behalf of the grain trade, to the address of welcome.

RESPONSE TO THE ADDRESS OF WELCOME

Mr. Chairman, President Bunnell, ladies and gentlemen: The members of the Grain and Feed Dealers National Association are indeed fortunate and happy in the enjoyment of the splendid hospitality evidenced by the spontaneity of our hosts, and by the munificence of the Chicago Board of Trade and the skill of its committees.

We realize that we are visiting in one of the greatest cities in the whole world, but fascinating as is that thought, we are going to forget it for a few minutes for while Chicago may have and does have competitors as a city, the Chicago Board of Trade is without a peer on earth. (Applause) We pay the tribute of our admiration and respect for the imagination that conceived, for the wisdom that planned, and for the courage that wrought, the mighty monarch



RETIRING PRESIDENT BERT T. DOW

of La Salle Street. It typifies your members and your market. I said your market; I should have said the world's market, for it is not dedicated, nor is it limited, to the narrow needs of a few. It is of universal benefit and service to mankind. The glittering goddess that tips the top of that mighty structure bids the agricultural world pour its products into the streams that flow through its portals. There they find an alchemy that transmutes them into monetary values, always controlled by the inexorable law of supply and demand.

The Chicago Board of Trade is not of mushroom growth; it is the result of an evolutionary process through which it has grown and expanded to meet the universal needs of grain commerce. It is the very essence of competitive individualism. It is not merely a business; it is an institution.

This institution must be preserved. The officers who through the partiality of its members and the members who claim that identification with this institution, have and feel a personal proprietary interest in it, but in its broader aspects it belongs to the nation and to the world. The world's patronage built it; the world's needs demand it. It vindicates its right to existence through its service.

Chaos would follow its destruction, yet there are those who in their madness or in their ignorance, or both, would destroy it.

They would go further than that. They would destroy the competitive system of grain commerce. As we meet here today, there is a conviction on the part of the grain dealers of this nation that the farm relief act was intended to destroy the grain man. If that were not its purpose, it was a howling farce, but it is no farce; it is an impending tragedy. That

tragedy can only be averted through a successful appeal to the courts or repeal of the Agricultural Marketing Act.

The competitive system must be preserved for on that issue hangs the fate of the traditions and principles of this republic. (Applause) The business men of this nation should demand a repeal of that act in whole or in so far as it invests the farm board with authority to acquire properties and engage in the grain commerce, or in any other activities in competition with American citizens.

This issue must be fought to a finish. When President Hoover convened congress in an extra session for the purpose of passing farm relief legislation, he portrayed and denounced bureaucracy. He admonished against the creation of it. He said there should be no interference with private initiative enterprise. He demanded that there be no interference, but despite this fact the bill was passed, not only providing for all that, but made mandatory everything the President wisely warned against, so today we face every evil, every danger, through that class legislation that the president said would result from a failure to follow his advice.

So, gentlemen of this convention, we ought to demand a repeal of that measure, for the farm board has been unable to get the farmers of this country to join it voluntarily, they have been unable to try to drive or bribe them into it. Already the aloofness of the American farmer from the instrumentality guaranteed by their pretended leaders, recommended by the president and the Congress of the United States for his amelioration is a practical repudiation of it on the part of the farmers. Less than 15 per cent of them have joined the system that for more than 10 years has been recommended to them as a panacea for all their ills by both politicians and agitators.

If the farmers themselves look with such profound suspicion upon a Government-erected, a Government-sponsored, a Government-recommended, a Government-financed institution, supposed to be dedicated to their sole benefit, refuse that allegiance, so necessary to its successful operation, shall we, who suffer from its machinations, hesitate to demand its destruction? (Applause)

Already we have waited too long. We should not temporize nor compromise. This issue must be fought to a finish. The United States Chamber of Commerce has already taken a decisive stand against the Farm Relief measure and against the activities of the farm board in competition with private citizens, but neither their demand nor ours will be heeded.

Already the politicians of this country are attacking us. Already they are making false charges against the grain trade. Senator Nye has charged that the grain dealers of this nation have conspired together to depress the value of farm products for the purpose of discrediting the farm board.

Why, gentlemen, the farm board has done more to discredit itself than any bunch of conspirators could ever dream of. (Applause) Their setups have been upset. Their pegs have been driven down. Their operations have been unsuccessful. Their recommendations have proven unsound. They have spent billions of Government funds right and left. They have bought millions of bushels of wheat, and placed that



BEN E. CLEMENT

wheat in storage. They have augmented the supplies in the show windows, thus depressing the price and the value of the whole of the 1930 crop far in excess of any sustaining value it might have had for the remnant of the 1929 crop. (Applause) They bought a million bales of cotton at 16 cents a pound from the bankrupt co-operative speculators of the South, and that, too, after the large body of southern farmers had disposed of their entire 1929 crop.

These operations were entered into for the purpose of bolstering up the co-operative movement or else for the purpose of vindicating the market prophesies of Chairman Legge and Secretary Hyde, who in the fall of 1929 were urging the farmers of this country to hold their wheat and cotton for higher prices.

The American people now know how erroneous can

be the judgment of men in high places, notwithstanding they have every facility for securing information that should guide them aright. The American people now know that the farm board has been unable to accomplish what it set out to do.

The American people now know that the farm relief legislation was obtained at the behest of the farm agitator, through the hypocrisy and the cowardice of public men. They know also that the scheme first envisioned now is encompassing and involves the treasury of the United States to the extent of a half-billion dollars, but despite this fact, it is utterly impotent to do anything for those it pretends to serve.

While I have no respect for the farm relief measure, I do profoundly sympathize not with its work, but with the pitiful incapacity of the farm board, if you please, to deal with the problems the law presents. This is not said, mind you, in despatch of the known great abilities of the members of that board. I have but one criticism to offer them individually, and it is that having read that law, realizing as they must have, that to put it into effect they were charged with the responsibility, if you please, of putting into effect a system that was unwise in its conception, dangerous in its designs and revolutionary in its concept, their patriotism should have constrained them to have refused their services. Patriotism consists not alone in bearing arms in defense of this republic, but in preserving the principles of this Government. (Applause)

The farm board, with one Legge and one Hyde and one Stone, have too much territory to cover in this vast, continental nation to get anywhere. Why, this modern Alexander the Great, following the example of his ancient prototype, having conquered the world in the realm of farm machinery, now seeks new worlds to conquer. Following his mad design, he seeks to raise an army of co-operatives for the purpose of attacking the unseen forces of economic law. In the pursuit of his wild designs, he has the unholy purpose of destroying one of the foundation stones, that of individual rights, carved from the mountain of eternal truth by the founders of this republic.

In conclusion, gentlemen of this convention, business men of this nation need to apologize to no one for their demand for the repeal of the farm relief act. Why, I want to tell you something: The American farmer has had the watchful care, the helping hand that no other bunch of American citizens have been able to command, for since 1920 there has been appropriated to the use and benefit of agriculture through the activities and ramifications of the United States Department of Agriculture the total sum of nearly 800,000,000 of dollars; more than 13 times the amount appropriated over the same period of time to the department of labor; more than 50 times the amount expended by the Department of Commerce in the bureau of foreign and domestic commodity by the Department of Agriculture itself in the period of 1910 to 1920. And this stupendous sum of 800,000,000 of dollars does not include the half billion dollars appropriated for the use and the abuse of the farm board.

Finally, gentlemen of this convention: I urge an appeal through the courts of this land by the business men of this nation, to protest against the spectacle of this Government, through the Farmers' National Grain Corporation, entering into competition with American citizens in both domestic and foreign grain trade? If the courts of this land can find constitutional sanction for any such procedure, then there is but one conclusion that we can reach, and it is that there is not one single constitutional limitation upon the powers of the Federal Government that cannot be evaded or repealed. (Applause.)

President Dow: We are all interested in the success or failure of the various grain pools. We have with us this morning the Honorable Frank Oliver, of Ottawa, Ont., former minister of the interior in the Laurier government of Canada.

Mr. Oliver's address was as follows:

THE CANADIAN WHEAT POOL

I HAVE been asked for information regarding the Canadian Wheat Pool. The pool is the greatest cooperative organization for marketing a single farm product that the world has ever seen. It has 140,000 farmer members, bound by legal contract to deliver all the wheat they produce in five consecutive years to be marketed under its sole control of the pool executives, without question or audit of its accounts or proceedings.

It claims to control 55 per cent of the wheat grown in the Canadian prairie west. It has been in operation as an export selling organization since 1924. It has enjoyed the full support of the banking system of Canada, of the governments and legislatures of the three provinces in which the wheat is produced, and it has been endorsed almost unanimously by the press of the country. Quite recently the publicity branch of the organization issued a circular to Canadian newspapers formally thanking them for their very loyal support.

In the seven years since the organization of the pool's selling agency Canada has exported 1,760,000,000 bushels of wheat. Accepting the pool's claim that it controls the marketing of 55 per cent of Canada's wheat, its export transactions for the seven years must have totaled approximately 1,000,000,000 bushels. Never since Premier Joseph's spectacular and successful corner of seven successive crops of Egyptian wheat has there been seen such a volume of the world's most essential food marketed under a single control.

Canada in recent years has become the greatest wheat exporter of the world. Here exports have averaged 260,000,000 bushels per year for the past five years (using million figures only) as compared with the average of Argentina 154,000,000, the United States 115,000,000, Australia 73,000,000, and India 8,000,000. Her total production during those five years has averaged 429,000,000 bushels per year as compared with an average of 321,000,000 by the United States. As a matter of comparison while Canada exports in wheat and flour approximately three bushels out of every four she produces, the United States consumes approximately three bushels out of every four she produces.

Canada's wheat and flour exports average over one-fourth of her total export sales. Possibly the United States can afford to play with her wheat exports in the world's market. Obviously Canada cannot. The wheat exports of the United States are a highly important part of her foreign trade. But to Canada, they are her life blood, the chief means of her present day expansion and prosperity.

The organization that controls the export of 55 per cent of the wheat of the country that is the chief exporter of wheat, has not only a position of dominance in the marketing activities of that country

but has a power great enough to be reflected in some measure in the wheat markets of the world. Upon the pool's exercise of that dominance depends in large measure the financial well-being and economic stability of the country whose chief product and main source of wealth it holds in such large part for sale.

The pool was organized during the slump in wheat prices that followed the after-war boom. The \$2 wheat of the boom had dropped below \$1. Throughout the Canadian wheat-growing provinces there had been for years organizations whose objective was unity of action amongst farmers for economic purposes. The upset of hitherto accepted opinions and ideals which followed the close of the war, turned these organizations from economics to politics and in Alberta and Manitoba placed in power provincial governments whose objective was legislation and administration by farmers for farmers—in principle, as in practice, class war. In Saskatchewan a liberal government retained place until less than two years ago by acceding to class demand.

The farmers had achieved political power, but for the time being were at a loss as to what to do with it, having particular regard to the price of wheat. Then came Aaron Sapiro out of California preaching as gospel that the farmer should fix the price of his own chief product through a system of co-operative marketing.

It was the psychological moment.

The wheat pool was formed.

No longer was the consumer, who must find the money with which to buy, to have anything to say as to the price. That would be fixed according to the needs and views of the organized producers. Three provincial pools were formed for administrative purposes. All three functioned as one in export marketing.

Following the formation of the pool there were successive fluctuations of wheat prices which reached their peak in July of 1929. In all cases when the price of wheat went up, the pool and its advocates claimed the credit. When the price went down any one and every one was to blame except the pool, as per widespread and well-thought-out propaganda. The gospel, according to Sapiro, that the consumer could be compelled by pool action to pay the producers' price received wide acceptance.

The leading feature of the Sapiro doctrine was, that given a preponderating volume of wheat, a single control could "feed the market" on "merchandising" principles and so "stabilize" prices at a level satisfactory to the producers. Translated, that meant belief that because the daily needs of the consumer could from time to time be accentuated by withholding supplies and prices thereby be temporarily enhanced, a permanent or stabilized condition of higher prices could be ensured by withholding supply indefinitely.

The pool could not handle so many hundred million bushels of wheat without money. The banks supplied the money, taking security on the wheat which had been placed in the pool's hands by the producers, on receipt of an initial payment on the basis of 85 cents a bushel at lake head for the crop of 1928, \$1 for that of 1929, and 60 cents for the present crop, the producer to receive the balance of the sales value of the wheat at the convenience of the pool, without audit. When the marketing season for the crop of 1929 had progressed to a certain point it became evident that because of lowered prices the security held by the banks for their advances to the pool had ceased to be adequate.

Action became necessary. Either they must realize on their security—that is, sell out the wheat on the already depressed market—or be given further and satisfactory security. The pool was unable, out of its own resources, to furnish security satisfactory to the banks. The situation was relieved for the time being by the legislatures of the three prairie provinces practically endorsing the pool's notes to the banks. By this arrangement the pool has been enabled to function as before; and the slaughter that would have occurred had private dealers been caught in the same position, was avoided.

The great objection of the pool organization as amply set forth in the Sapiro campaign and ever since by the advocates of "unified control of wheat marketing" was the enhancement of prices to the producer without cost to his fellow taxpayer. The net result to the producer after seven years of pool operation is that the average cash price of No. 1 Northern wheat at the lake head for the crop year 1929-30 was \$1.24 (which includes the big price bulge of the summer of 1929) as compared with the average of \$1.69 for the crop year 1924-25, the first of the pool's operations.

For the current crop year, since August 1, the story of wheat prices has been one of tragedy. For the week ending August 9, the first full week of the new crop year, the average cash price of No. 1 Northern at the lake head was 99.4 cents. For the week of August 16, 92.2 cents, week of August 23, 90.6 cents, week of August 30, 87.9 cents, week of September 3, 82.5 cents, week of September 10, 81.7 cents. On September 23, 73½ cents, and on September 29, 68 cents, closing on that day at 70½ cents—a level that had not been touched in 26 years. On October 10 a low of 69½ cents was recorded, as compared with \$1.66½ on the same date last year.

During the six full years of pool operation the total amounts received by pool members on lake head basis have been as follows:

	POOL PAYMENT	AVERAGE MARKET PRICE
1924-5	\$1.66	\$1.69
1925-6	1.45	1.522
1926-7	1.42	1.462
1927-8	1.42½	1.463
1928-9	1.18½	1.24
1929-30	1.00	1.24

The continued price recession since the pool began operations is the more notable because the crop of 1929 was in volume only half that of the previous year, while its quality was the highest on record. Under ordinary market conditions—that is, had there been no pool—the heavily reduced Canadian crop of 1929 which materially lessened the world's supply would have undoubtedly been reflected in an improved price.

The pool still functions as an export sales organization. What power it ever had to raise prices it still has. The Canadian crop of 1930 is 70,000,000 bushels larger than that of last year but it is still below the average of the past five years. That is we have had two successive short crops. Since the opening of the present crop year on August 1, the price has touched a point less than half the average price of August, 1929. If there is or ever was merit in the assertion of the pool leaders and advocates that by the exercise of unified control they could stabilize prices at a satisfactory level by judiciously feeding the market, this is the time and the occasion to prove it.

The fact that following two successive short Can-

adian crops with all the banks, three of the provinces, and nearly all of the newspapers backing the pool, the price of wheat has sunk to the lowest level since 1906, long before the World War, and also long before the wheat pool was ever heard of, demonstrates without argument that the claims made for the pool organization and policy were void and utterly without warrant.

Under present world conditions of production and transportation it must be accepted that the producer of no single country can permanently enhance world prices by holding its crop surplus off the market. In this regard wheat is in the same position as sugar, rubber and coffee, whose producers have from time to time accepted the fallacy as gospel and suffered like results with the Canadian pool.

The mistake of the pool was that it did not distinguish between "merchandising" and "price control." "Merchandising" is selling, buying or withholding to get advantage from the rise and fall of market values which occur from outside causes. "Price control" is selling, buying or withholding, with the objective of thereby causing the market to rise and fall. "Merchandising" is legitimate business. Attempted "price control" is gambling against very long odds. Having actual control of more than half of Canada's export wheat, clearly the pool was in a position to enhance prices against the day to day needs of the world consumer by holding back supply. But also clearly, if yearly recurring crops are not sold out within the one crop year, the balance is on hand and for sale during the succeeding crop year. A short crop standing by itself under normal conditions means an enhanced price in favor of the producer and against the consumer; but a surplus from a preceding year added to a short crop in the current year, by increasing the available supply of the year necessarily tells in favor of the consumer and against the producer.

This obvious fact seems, so far, to have escaped the attention of the Canadian pool.

Before the pool began to function the policy of the grain trade of Canada, in accordance with that of the banks who financed it, was to approximately clear out the product of one crop year before entering upon the marketing of the next. The pool's uniform policy has been to temporarily enhance prices by withholding supply. Under that policy the yearly Canadian carry-over was increased to 25,000,000 bushels at the end of the crop year 1924-5 (the first of the pool's operation); to 34,000,000 in 1925-6; 47,000,000 in 1926-7; 77,000,000 in 1927-8; 104,000,000 in 1928-9; and 111,000,000 in 1929-30. A carryover of 111,000,000 bushels added to the short 1930 crop of 360,000,000 brings the volume for the year well over the five-year average, and adversely affects world prices to a corresponding degree.

The crop of 1928 was the largest on record: 540,000,000 bushels. Owing to adverse harvesting conditions a larger proportion than usual was of lower grades. The movement of this crop to market in the fall of 1928 was retarded by the refusal of the grain trade (including the pool) to accept the export market price. An unnecessarily large part of the crop was, therefore, held out of consumption and lay in storage in Canadian and United States lake or ocean ports during the winter.

The policy of blockade of overseas shipment which had been entered upon in the fall of 1928 was continued and accentuated throughout the navigation season of 1929. With the opening of navigation, notwithstanding the holding back of supplies, prices fell day by day. But in June, reports of crop failures in Canada, the northwestern states, and in other countries created practically a market panic and prices soared during July to a peak of approximately \$1.75 for Canadian No. 1 Northern for September delivery. The average cash price for July was \$1.599. Instead of taking advantage of the price boom to relieve the situation naturally following upon the excess crop of 1928, the pool seemed to believe that their policy of withholding supply had been the chief cause of the panic prices, and that a continuance of that policy might be expected to result in \$2 wheat. The grain blockade was continued and enforced, but instead of price rising, as expected, it has been falling more or less continuously ever since.

Had the pool been merchandising instead of attempting price control in July of 1929 they would have taken advantage of the high prices to reduce the excessive carryover from the previous crop. The leaders excused their failure to sell more largely when prices were at the peak by saying that had they done so, the price must have fallen and they would have been blamed. No doubt larger sales would have resulted in measurably reduced prices; but there is no ground for belief that freer selling at that time would have brought about reductions to the present figure. In any case, had the carryover from the 1928 crop been cleared for consumption the half crop of 1929 of the highest quality would have been taken by consumers at its fair value instead of at the prices actually paid. The same would hold good for the present crop which, subjected to a larger carryover, is depressed so far below even the prices of 1929.

That the Canadian carryover of more than 100,000,000 bushels from the past to the present crop year is responsible in large measure for presently depressed world prices, is amply proven by the fact that the low point of the latter part of September admittedly was reached because of the threat of an unknown quantity of inferior Russian wheat coming on the market. The total amount of this influx was never estimated at more than 50,000,000 bushels. If the mere threat of an additional supply of less than 50,000,000 bushels of inferior wheat could have so serious an effect in further depressing already low prices, it must be accepted that the Canadian carryover of an actual 100,000,000 bushels of high grade wheat has had a similar but much greater effect in producing the present result.

The records of the Canadian bureau of statistics seem to indicate a lack of logical sequence between volume of shipment and range of prices of the Canadian wheat crop during recent months.

In May, 1929, when prices were at their lowest for that year, we shipped 27,000,000 bushels (using only million figures) and in June, when they were a little better, 25,000,000. In July when prices were at their best, we shipped only 17,000,000. In August when they were nearly as high, 10,000,000; and in September when they were still high only 7,500,000. In July of this year, when prices had slipped to near the dollar mark, we shipped almost 20,000,000, or nearly 3,000,000 bushels more when prices were at their peak in the previous July. In August last we shipped overseas 17,500,000 bushels as compared with 10,000,000 in August, 1929. In the past September when prices were at their lowest in a quarter of a century we increased our shipments to 27,750,000 bushels as compared with 7,500,000 in the previous September when prices were still in the neighborhood of \$1.50 for October delivery. Control which withdraws from market when prices are high and sells most freely when

they are low, does not seem to accord with the generally accepted principles of "merchandising" and indicates that lacking the accompaniment of infallible judgment and accurate foresight, unified control of the marketing of a great natural resource is simply a case of the blind leading the blind.

Market prices of wheat are affected by varying and world wide conditions of both production and consumption. Some of these conditions are subject to human control but many of them are not. Therefore, an accurate forecast of prices is less possible in the case of wheat than in that of any other commodity. The Canadian Wheat Pool enjoyed absolute control with complete liberty of action. Success or failure was a matter of its accurate judgment in forecasting the market. Had the pool sold out its surplus in July and August of 1929, it would have scored a great success. But it made an inaccurate forecast, and its members, with the country at large, are suffering the consequences. Had there been no pool, competitive marketing by members of the grain trade and the application of the established credit policy of the banks would have cleared the surplus from the bumper 1928 crop; including the carryover from the previous year. Lower prices for that surplus would no doubt have resulted, but with the surplus disposed of for consumption, the short crops and higher quality of 1929 and 1930 would have held the top of the market, and Canada would have retained the preferred position that she had hitherto held. The uphill fight that is now before us to re-establish our position if that can ever be done would not have to be made.

The pool's objective of unified control of the marketing of the major part of the crop of the leading wheat exporting country was completely achieved as a quality product Canada's hard wheat (it exports no other) was universally in demand at highest prices. Even wheat-exporting countries bought Canada wheat to mix with their own. Production expanded from year to year and the national prosperity was correspondingly increased. The Canadian wheat producer, figuratively speaking, was "sitting on top of the world." That was the condition until the wheat blockade of 1929 was enforced by the pool in accordance with the gospel under which it was founded. Holding back of wheat from a low market has always been accepted as legitimate "merchandising." But a blockade of crop transportation when prices had become abnormal as in July, 1929, was something else again and a surprised and hungry world of consumers began to sit up and take notice. Instead of being looked upon as a never-failing and constantly growing source of world supply, Canada assumed the aspect of the hold-up man to her export customers.

Naturally, resentment was aroused and counter measures taken. In July of 1929, when prices were at their peak, wheat in Winnipeg for delivery at the lake head was worth from 5 to 15 cents a bushel more than the like quality in Chicago. Today wheat is worth 5 to 7 cents more in Chicago than Winnipeg. We have antagonized our customers and left the market open to our competitors, with the results that could only be expected, but at which we express startled surprise and make bitter complaint, spreading blame broadcast.

The pool policy of raising prices by withholding supply through the power of unified control has been tried out under the most favorable circumstances possible and to a hard finish. The result is collapse of prices to the point of agricultural disaster, with far reaching injury to the whole economic structure of the country. (Applause.)

President Dow: Mr. Oliver, your address was very much enjoyed by our members.

Before discussing the question of raising the annual dues, I would like to present my annual report:

PRESIDENT'S ANNUAL ADDRESS

OUR meeting today here in Chicago opens our thirty-fourth annual convention. At our convention a year ago in Peoria, we changed our name from the Grain Dealers National Association to the Grain and Feed Dealers National Association, so in addition to the usual grain dealers of the various branches of the trade, and affiliated side lines, we now have a number of new members representing the feed trade that we welcome to our association.

A year ago the Agricultural Marketing Act was passed, but at our last convention the Federal Farm Board had not started to function, and we had very little idea of just how it would operate. I think we now all agree that this past year has been one of anxiety for all members of the trade, and a strenuous one in many respects. I want to congratulate our members in the way in which they have carried on in meeting the changing situation from day to day. With our membership composed of producers, distributors, manufacturers, consumers and all the other various branches of the trade, it has not been advisable to take any definite position. I hope this convention discusses this matter from all sides, and if it is advisable to take a definite position, to so instruct the new officers and directors.

While our good secretary will give you a detailed report on our membership, I want to urge that you make it a point this year to do everything you can to get at least one new member. Our membership is about the same as a year ago. However, our booster committee has had to do a lot of hard work this past year, and if every member would bring in a new member this year it would take a big load off your secretary. There is every reason why the entire trade should work as a single unit at this time in order to be of greater service to the agricultural interests which we serve.

At the Peoria convention a year ago, a motion was passed increasing our annual dues to \$25 provided that the motion was ratified this year. This matter will, therefore, be presented later and I hope you are ready to ratify last year's motion. To carry on properly our work we must increase our income, and an increase of \$5 per member, I feel, is a very small amount, considering the good work our association is doing and the urgent need of association work in the future.

Just a word about attendance. We have three

half-day sessions with many important matters to discuss. I urge that you attend these meetings, which will start on time at 9:30 each morning. This gives you all afternoon and evening to talk shop, play golf or attend any other social activities.

I very much appreciate the cooperation of the chairmen and members of the committees for their loyal work for the association this past year, and especially want to thank our good secretary, Mr. Quinn, for his untiring work. This is his seventeenth year with us, and with the many daily problems that came up this past year it has been one where anyone in the active grain business could not get away from his office without a sacrifice, so I feel that Mr. Quinn has been called upon for more than his usual work and in all cases he has responded cheerfully.

President Dow: We will now have Mr. Quinn's report.

Secretary Quinn gave a resumé of his prepared report which was as follows:

ANNUAL REPORT OF SECRETARY QUINN

IN PRESENTING his seventeenth annual report your secretary will follow the usual custom of giving a detailed review of the work of the association during the last year.

The chairmen of the various committees will each give an account of their stewardship, so that their reports, taken as a whole, will cover the entire activities of the organization's labors since the last annual meeting.

In order to obtain a picture of the entire work, without the necessity of perusing all these reports, it becomes the duty of the secretary to cover the whole field in his annual message so that there will be co-ordination and unity which are of necessity lacking in the reports of individual chairmen.

Since the last annual meeting much has occurred in

growth of individual character, made sturdy by self-reliance.

Self-interest is potent in warping the judgments of men. Even so, the subject of the Government's entrance into the grain business may be discussed without rancor or heat and without the calling of names. That is the only way an approach may be made if we are to get a clear understanding of the situation. The time has come for clear thinking and a true appraisal of what the farm relief bill is and what it portends.

It will avail us nothing to denounce the Federal Farm Board for what it has attempted to do under the Agricultural Marketing Act. The trouble is more deep seated than can be found in the acts of this board. One must go back to the act itself if one would obtain a proper appreciation of what has happened. Your secretary will leave to the lawyers the question of the constitutionality of the act, but he will attempt to show that the measure is wholly unsound, wholly inadequate to bring relief to the farmers and wholly unsuited to the psychology of the American people.

On this higher plane of economics and not upon the lower level of passionate criticism will your secretary attempt to discuss the Agricultural Marketing Act.

Making due allowance for the position in which President Hoover found himself after his election, the fact remains that his solution of the farm problem is not only no solution at all but is on the contrary a most dangerous advance toward the destruction of private business in this country.

Granting that both the great political parties, before the last presidential election, had committed themselves to "relief" programs, and granting that the solution that might have been advanced by the Democrats would be equally futile, there still remains the distressing fact that Mr. Hoover's plan strikes at the very heart of American business.

It is estimated that fully one-fourth of the business activities of the nation are concerned with the distribution and processing of farm products. This, in effect, means that one-fourth of American business men are farm middlemen, so-called. To strike deliberately at the livelihood and investments of these men through an act of Congress is something unprecedented in this country.

Socialization of All Industry?

If the principles embodied in the Agricultural Marketing Act are accepted by the people of the United States what is to prevent the socialization of all industry? Can the other three-fourths continue long to survive if the farm bill is constitutional?

This is the problem, and the only problem, that confronts the country in any consideration of the Agricultural Marketing Act.

There is no profit in bewailing the fate of certain individuals who find their investments jeopardized and their livelihood taken away, by new inventions, new processes, new methods of doing business. These things are inevitable in the business life of men. Changes come, and those only survive who possess the necessary adaptability to meet new conditions.

But there is no analogy between such changes, brought about naturally and in the line of progress, with the revolutionary principles contained in the farm bill.

This bill would eliminate in a wholesale manner all farm middlemen, driving them into other occupations and providing no compensation for the loss of their investments.

Fair-minded men in the grain and feed trades recognize the right of producers to organize and distribute or process their products. Grain dealers know that their protests would be unavailing because farmers have the same right to go into business that business men have to buy land and become farmers.

These are all self-evident facts, too trite perhaps to be even set forth, but they are reiterated here for the purpose of showing that it is not the entrance of the farmers in the handling and processing of farm products that causes the protests of grain men. These protests are caused by the means employed by President Hoover, and the unfair and altogether unwarranted methods used to displace a system that has proved its value to the country.

Sapiro's Admission

Aaron Sapiro, the ablest of the co-operatives, has publicly acknowledged the worth of the present system in the following words:

"When we go into the co-operative marketing activities do we say that we are simply going to get some little economy in the handling of wheat? No, because you and I know that we can't handle wheat, as far as the physical handling is concerned, any more cheaply than the big elevator companies that are now operating both in the United States and at terminal points and in the export handling of wheat.

"When it comes to the economies of physical handling they have that system perfected so that we can not hope to excel it. Those wheat producers who talk about co-operative marketing as though it is some divine system which is going to assist in some way in cutting down simply the handling charges of wheat are fooling themselves.

"We don't say that the purpose of co-operative marketing is to introduce any economy in the physical handling of grain, because we think that particular point is altogether too trifling to bother about. Then what are we trying to do? When we talk co-operative marketing we say this: WE ARE INTERESTED IN RAISING THE BASIC LEVEL OF THE PRICE OF WHEAT!"

Alexander Legge, as head of the Federal Farm



SECRETARY CHARLES QUINN

the grain trade, as every member is only too well aware. In addition to the usual events that transpire each year in transportation, trade rules, uniform grades and other standard activities, the grain men of the nation have been confronted with an unparalleled situation brought about by the passage of the Agricultural Marketing Act, commonly called the farm relief bill.

Your secretary does not intend to present a chronology of the events that have transpired, or give a detailed account of the operations of this bill. It is unnecessary. Every grain and feed dealer knows them by heart. They have filled not only the trade press but the daily newspapers as well.

Concentrating on Marketing Act

And yet, the Agricultural Marketing Act must largely occupy the attention of your secretary, to the exclusion of some other matters, in any report that he may make of the work of the association during the year.

In what follows your secretary hopes to be able to deal fairly with the government's attempt to help agriculture through "farmer-owned" and "farmer-controlled" agencies, financed with public funds.

Abuse will be eschewed, vituperation avoided. Mere condemnation can never pass for argument with intelligent people. Your secretary realizes that it is difficult to look dispassionately upon a Government program that seems to vitiate and subvert every tenet of the American philosophy of life. It is hard to remain calm and analytical in the face of a program that seems dangerous to every principle held dear to the American who still believes in private initiative, the encouragement of enterprise and the

Board, endorses what Mr. Sapiro says in this language:

"Unless we can work out a different system of marketing, which goes far beyond the question of saving a fraction of a cent per bushel on grain, a few cents per bale on cotton, or a few cents per head on livestock, as compared to the present system, there would be little hope of progress in the line of putting agriculture on an equality with other industries, for the simple reason that if all of these operating costs were added to the price the farmer gets for his profit it would make but little difference in the return to the grower."

"On the other hand, if gradual marketing of what the farmer has to sell through a longer period instead of within a few weeks, as is now the prevailing practice, can be brought about, it may be possible to make a material improvement in the returns to the producer."

Here we have both the father of modern co-operation and the head of the farm board making public confession of their futile efforts to improve the present system of grain distribution, so far as the physical handling of grain is concerned. And both of them, by some scheme, the nature of which they do not divulge because it is unknown to them, hope to bring about a "material improvement in returns to the grower."

Since Mr. Sapiro and Mr. Legge made the statements quoted herein a great deal of water has gone under the bridge. Experiment after experiment has been tried and failed; scheme after scheme has been put forth only to see that it would not work.

Recognizing at last the efficiency of the present distributing system in the physical handling of grain, they tried to "raise the basic level" by price-fixing, hoarding, purchasing grain concerns in order that they might do their own distributing, and finally instituting a nation-wide campaign to reduce acreage.

It is difficult to refrain from caustic comment and to be fair and just to the men who conceived the Agricultural Marketing Act and then tried to put it into effect.

In the face of all past experience they undertook experiments that were doomed to failure at the very outset. The history of hoarding was ignored and the utter failure of price-fixing in other products was forgotten.

Since the one and only purpose of the farm bill is to increase the returns to the grower, how could the situation be bettered by buying going concerns in the grain business and distributing grain through these agencies, after the leaders had publicly confessed that they cannot distribute at less cost than the present dealers?

And now Mr. Legge, finding out what he should have known at the beginning, has thrown up his hands and told the farmers that he cannot help them unless they cut down production so that the surplus will disappear.

A \$250,000,000 "Discovery"

Did it require \$250,000,000 of the taxpayer's money to make that momentous discovery? And if that, after all, is the solution of the problem why a revolving fund at all? With no surplus there is no problem and no need for universal co-operation because the grain of the country would, through the protective tariff, at once be placed on a domestic basis.

Your secretary in this report thus far has only been saying what has been written over and over again, ad nauseum. Every grain dealer and every economist knew what the result of the Government's experiments would be before they were begun.

How could these obvious facts have escaped the notice of the framers of the bill and the men appointed to administer it?

Perhaps they did not escape them. Perhaps they too knew that the Agricultural Marketing Act could not improve the lot of the farmer. It is difficult to see how this knowledge could have escaped them; but then politics is devious. The party had been committed to a farm relief bill and something must be done.

The practical man who wants to be fair will recognize the position of the president of the United States right after the election. He had made promises and some effort had to be made to fulfill them.

But did this justify the passage of such a measure which is conceded on all sides to be the most radical bill ever passed by congress in times of peace?

If a mere gesture was to be made why was the Federal Farm Board given practically unlimited powers and half a billion dollars as a revolving fund? Why was the bill made to apply to every product of the farm, and why was the farm board commanded to go forth and organize all the farmers into co-operative companies?

This was plainly no gesture and never appeared so to close students of the bill when it was introduced in both the house and the senate.

Dealer is the Target

It was manifestly a bill aimed directly at the thousands of farm middlemen who were to be replaced by co-operatives financed from the public treasury.

If these middlemen could be so ruthlessly discarded, not because they were inefficient but solely for the reason that they interfere with a major advance in bureaucracy and state socialism, what would ultimately become of all other lines of business? With

the establishment of such a precedent no business could be regarded as safe.

It was such thoughts as these that prompted the delegates to the last annual meeting of the Chamber of Commerce of the United States of America to pass the now famous resolution denouncing the Agricultural Marketing Act and calling for the repeal of a number of its sections.

At the present time the Federal Farm Board has loaned the taxpayer's money, at low rates of interest, to co-operative handlers of the following farm products: Apples, beans, canned fruits, cheese, cherries, citrus fruits, cotton, dairy products, grapes, grain, honey, livestock, milk, butter, potatoes, poultry and eggs, raisins, rice, tobacco, wheat, and wool.

As will be seen the grain dealers of the country are only one of 20 handlers of farm products who are affected by the Agricultural Marketing Act.

What is behind this forward advance toward state control of industry? What is the political and economic psychology of the movement? Did the framers of the Agricultural Marketing Act consciously plan an attack on the American principle of private initiative, or did they just act blindly in the hope that something would be evolved that would redound to the benefit of agriculture?

These are pertinent questions, the answers to which would greatly clarify the situation. If it is the deliberate purpose of a great political party to destroy private initiative to the extent of one-quarter of the business of the country, the people ought to know it.

Unsound Political Philosophy

Nothing can be as dangerous to the future of the country as the insidious, quiet, treacherous injection

EXECUTIVE COMMITTEE 1929-1930



into the body politic of a repugnant political philosophy under the guise of "helping" the farmers or any other class of the people. Empires have been overthrown for far less cause.

If the Agricultural Marketing Act gave any promise of "helping the farmers," apologists might arise to defend it. But even then it would be indefensible because it strikes at the very root of the American system of government.

Conscientious, intelligent men who know America and what America stands for should not supinely submit to the imposition of such a philosophy. It is European and Russian in conception and the outgrowth of conditions not present in this country.

To add to the apparent attempt of the framers of the bill to impose upon the people an entirely new system of economics, the measure itself is a complete failure. It has not helped the farmers who see the prices of their products go down daily. Not only can the bill not "raise the basic level" but it cannot maintain the present or any other level. Prices on world products are not regulated by government fiat, as even the most stupid now knows, but by the natural law of supply and demand. If the grain trade is efficient, as its opponents now freely confess, and if the "basic level" cannot be raised in the face of over-production, as is also admitted, then of what use is

the Agricultural Marketing Act, the stabilization corporation or any of the subsidiaries or "set-ups" that have been formed?

Obviously they are of no use except to project the Government into the domain of private business, and this seems to be the answer to the whole riddle, try as we may to be fair, dispassionate and just to the men who conceived the plan.

There seem but two avenues of approach. Either these men were abysmally ignorant of the present system of distribution or they planned deliberately to overthrow it for something they conceived to be better.

Horns of the Dilemma

To accept the first horn of the dilemma is to brand them as unfit to legislate on economic matters, and to accept the second is to accuse them of fostering and encouraging the destruction of the very thing that Americans hold the dearest—the right of every man to pursue a legitimate business and wrench success from it without handicap or interference from his government.

If this is not the psychology of the average American one would like to know what it is. It is this that made us great because it encouraged self-reliance, initiative and independence.

What can possibly be the outgrowth of the spirit embodied in the farm relief bill? How can the farmer maintain his independence when the purse strings are in the hands of a Government bureaucracy? What is to prevent his final obliteration as an economic unit when his every action is dictated by a Government official?

What becomes of his boast that he is a free born citizen with the right to sell the product of his labor whenever and wherever he desires, and to whomsoever he wishes, when the Government has herded him into a co-operative corral and branded him as merely a number in a giant association which disposes of his products according to the dictates of a few leaders who maintain their position through agrarian politics and not because of business ability?

Is not the logical outcome of such submission on the part of the farmer the development of a system akin to that in Russia? Names mean nothing in the face of facts. If one shrinks from the term "sovietism" because of its association with recent events in Russia, a softer, less alarming and more reassuring name may be applied. It is ideology, and not appellation, that counts.

If the Agricultural Marketing Act is not "sovietism" it is at least its first cousin. It is a movement in that direction and away from American ideals. Unless the act is repealed or declared unconstitutional the nation may as well prepare itself for the ultimate destruction of the principles which have guided us thus far in our attempt to sustain a Government that would allow every man to build his own fortune in any legitimate pursuit, unhampered and uncabined by Government interference so long as he kept within the restraints of the law.

The Strong Bill

In his annual report to the convention James L. King, chairman of the committee on legislation, will give an account of the efforts of the association, assisted by other organizations, to secure the passage through congress of the Strong Bill, H. R. 5634. The purpose of this bill is to protect shippers who send drafts to distant banks for collection, making their claims preferred ones should such drafts be found by receivers in insolvent banks.

Unfortunately the efforts of the association were unavailing, as the house committee on banking and currency refused to report out the bill by a vote of seven to six after a hearing had been given. Mr. King will explain why the house committee took such a stand.

There are several other bills that were introduced in the first and second sessions of the seventy-first congress and in which the grain trade was more or less interested. The fate of these measures will be told by the chairman of the committee on legislation.

Speaking generally there was no great stir in legislation since the last annual meeting of the association, aside, of course, from the Agricultural Marketing Act which occupied the entire time of the first or special session of the seventy-first congress. Public attention has been focused on this bill to the exclusion of other measures.

Vote on Future Trading

The Chamber of Commerce of the United States of America has sent a referendum to all its members seeking an expression of opinion on the subject of commodity exchange trading. This is most important to the grain trade of the country and it is a pleasure to record that the chamber's committee which prepared the referendum gives futures trading its endorsement.

This would seem to insure a favorable vote on the part of the chamber's membership and it will place that organization squarely on record as opposed not only to the Agricultural Marketing Act but to any attempts of the radicals in congress to destroy futures trading in the commodity exchanges of the country.

Arbitration

The following table shows the work of the arbitra-



F. E. WATKINS
Cleveland, Ohio



W. W. MANNING
Fort Worth, Texas



W. CAREY COOK
Fort Collins, Colo.



L. W. FORBELL
New York, N. Y.

tion committees of the association for the last convention year:	
Number of cases at the beginning of the convention year	13
Number of cases filed for arbitration during the year	15
Total	28
Number of arbitration decisions during the year	9
Cases withdrawn	2
Cases settled direct	2
Dismissed	3
Expelled	2
Cases pending	10
Total	28

As will be seen the number of arbitration cases pending at the end of the present convention year is but 10. This is the smallest number of unsettled disputes that have been pending before the association at any one time in years. At the Peoria convention one year ago the number of pending cases was reported as 13. In 1928 there were 15; in 1927 the number was 29; in 1926 there were 21 cases pending action by the association; in 1925 there were 44 cases; in 1924 the number was 48; in 1923 there were 51 cases pending; in 1922, 73 cases.

The story of the World War is revealed in these figures. The deflation that followed the war in 1921 caused chaos in the grain trade. The rapid fall of prices ruined many dealers and created many arbitration disputes. In 1922 the number of cases filed for arbitration with the national secretary was 110, while in the convention year just closing the number was but 15. From 1922, the peak year, until 1930, the number of arbitration cases has yearly declined.

With seven arbitration committees, six of them for grain disputes and the seventh for feed controversies, the association seems to be over-manned with arbitrators. These committees are not now called upon to do much work. It has been suggested that some



A. H. HANKERSON
San Francisco, Calif.



D. B. KEVIL
Silkston, Mo.



L. H. CONNELL
Denver, Colo.

cipline in these two cases, but it is reassuring to know that each year the number of expulsions declines. More and more do the dealers realize the worth of their membership in the association and the value of keeping their business record clean and free from the odium that goes with expulsion for refusing to live up to an obligation voluntarily assumed.

Trade Rules

The annual report of the trade rules committee will be presented to the convention by Chairman S. P. Mason. Mr. Mason has done excellent work during the year. He has had many questions to answer, these inquiries coming from all sections.

A competent chairman of the trade rules committee is a great asset to the association because the questions asked him and the replies he makes are of great interest to all the members. These inquiries and answers are published regularly in *Who Is Who in Grain and Feed*. They are of great educational value to the members and they no doubt are the means of preventing many arbitration cases. In addition to this they familiarize the members with the trade rules and this is a work of the first importance. A membership that understands the trade rules is a membership that has few disputes to arbitrate. Mr. Mason's clear-cut answers to inquiries sent him perform a needed service, not only to the inquirers but to all the members.

Trade rules of the association were adopted in 1902, 28 years ago. They have been amended and revised many times until they are about as humanly perfect as it is possible to get them. There have not been any changes made in them for several years, but new situations are constantly arising and these call for suggestions as to amendments to the rules. Mr. Mason will present to this convention some amendments of a minor character that have been suggested to him during the year.



JOHN A. REYNOLDS
Albany, N. Y.



J. H. CALDWELL
St. Louis, Mo.



JOHN S. GREEN
Louisville, Ky.



A. C. KOCH
Beeze, Ill.

DIRECTORS OF THE GRAIN AND FEED DEALERS NATIONAL ASSOCIATION FOR 1929-1930



H. W. REIMANN
Shelbyville, Ind.

of them be abolished as they were created following the 1921 deflation when the arbitration disputes were most numerous and at their maximum. "Normalcy" has returned to the grain trade, they aver, and so many committees are not now needed.

Your secretary does not believe that any of the arbitration committees should be abolished, even though there does not seem to be enough work for the whole seven committees. The reason for this is that when the number of committees was increased to seven the arbitration work of the association was placed on a "regional" basis.

This has proven most satisfactory to the members. Disputes arising on the Pacific Coast should be handled by a Pacific Coast committee, while cases having their origin in the East should have an eastern committee to decide them. The same is true of the Middle West, the Central States, the Southwest and the Southeast. There are few complaints from litigants against whom awards are made when the cases have been decided by committees whose members reside in the territories of the disputants.

Sectional Disputes

It is the experience of your secretary in handling cases that disputes which have been decided by local or sectional arbitrators give more satisfaction than if the decisions had been made by men living in other parts of the country. These sectional committeemen better understand local customs, local freight rates and transit arrangements and local idiosyncrasies and they quite naturally give better satisfaction to litigants in their own districts. For this reason your secretary believes that the present arrangement should be continued, even though the association seems to have more arbitration committees than are needed. It does not appear to your secretary that the number of committees could be reduced without destroying to a great extent the regional plan of arbitration.

Expulsions

Your secretary regrets to inform the convention that the association found it necessary during the present year to expel two members for refusing to arbitrate trade differences. These two concerns are the Deal Brothers Milling Company, of Cumberland, Md., and the Smith Coal & Grain Company, of Slaton, Texas. The first named company would not sign an arbitration contract in a dispute with the J. E. Wells Company, of Sidney, Ohio, and the Smith Coal & Grain Company declined to sign a contract in a controversy with the C. M. Carter Grain Company, of Fort Worth, Texas.

The association deeply regrets the necessity of dis-



E. A. BOYD
Spokane, Wash.



R. W. HALE
Nashville, Tenn.



MARK STEELE
Buffalo, N. Y.



W. B. JOHNSTON
Enid, Okla.

Grain Products

At the last annual meeting the name of the association was changed from the Grain Dealers National Association to the Grain and Feed Dealers National Association. This change was made because of the absorption of the United States Feed Distributors Association which has gone out of existence.

The change has resulted in the association becoming a feed as well as a grain organization, and this was a consummation devoutly to be wished since the feed business is becoming every year of greater importance.

W. O. Fehling, chairman of the grain products committee, has, like S. P. Mason, been called upon to answer questions propounded by feed dealers and he, too, has done excellent work. His replies to questions asked are doing the same service for the feed dealers as Mr. Mason's answers perform for the grain men. He has some suggested amendments to offer to the feed rules and he will at the proper time present them to the convention.

The absorption of the United States Feed Distributors Association has been of great value to both the feed and the grain dealers. It has brought about a closer community of interests and has strengthened the association. Feed dealers have learned that the Agricultural Marketing Act is as great a menace to them as to grain dealers and they welcome the opportunity to add their strength to the movement to protect both interests.

Your secretary would respectfully suggest that the association change the name of Mr. Fehling's committee from the "grain products" to "feed" committee. This suggestion is made because the present name is somewhat misleading. "Grain products" would suggest that the activities of the committee were confined to products derived from grain, such as bran, shorts, corn chops, etc. The function of the committee extends far beyond that, of course. It is in reality a feed committee and this means that its authority extends over all the products that enter into feed formulas.

The offal or grain products do, to be sure, form the base of nearly all feed, but modern chemistry has for some years been introducing many other products that are in no way derived from grain, but are supposed to contain certain vitamins, proteins, etc. The name of the committee should, therefore, your secretary thinks, be changed to the feed committee.

Transportation

Henry L. Goemann, chairman of the association's transportation committee, will report to the conven-



F. A. THEIS
Kansas City, Mo.



O. F. BAST
Minneapolis, Minn.



L. M. SWIFT
Lansing, Mich.



G. SHERWIN HAXTON
Oakfield, N. Y.

tion on the activities of his committee during the year.

Mr. Goemann has been confronted by the usual problems associated with the transportation of the country's grain crops. In addition to these he has had to do considerable work in connection with the emergency freight rates due to the drought.

Mr. Goemann will go into detail regarding the many matters handled by his committee during the year. The chairman of the transportation committee is one of the association's most indefatigable, loyal and valuable workers. He has been chairman of the committee for many years but he has lost none of his enthusiasm or love for the work. It is to unselfish men like Mr. Goemann that the association owes its success as a great national organization.

Increase in the Dues

At the last annual meeting, held at Peoria, Ill., on October 14, 15, and 16, it was voted to increase the dues of direct and associate members from \$20 to \$25 a year.

This action was, however, subject to ratification by the "next convention," which means that the Chicago meeting, now in session, must either rescind the action taken at Peoria or affirm it. Should the latter course be followed the dues would be increased to each member in the sum of \$5 a year.

The idea behind the resolution passed a year ago was to increase the revenues of the association to meet the extraordinary conditions brought about by the passage of the Agricultural Marketing Act. Your secretary feels sure that every member of the association understands the situation. In anticipation of some such legislation as congress finally passed, the association has for several years, at its annual meetings, discussed the question of raising the dues. It was finally decided at the Peoria convention to take this step, but to do so conditionally. It was believed that the members would be fully prepared at the con-

vention in 1930 to decide the question once and for all, after they had had a year to think it over.

This firm, uncompromising stand taken by the chamber has won it many friends and disposed of all charges that it was influenced in its actions by politics or by political expediency. The executive committee of the association believes that the Grain and Feed Dealers National Association should be represented in the membership of the chamber and work side by side with the other business interests of the country in the effort to counteract the dangerous tendencies of present day government.

Membership

The direct, affiliated and associate membership of the association is as follows:

Number of direct and associate members reported at the last convention.....	1,201
Direct and associate members secured since since the last convention.....	181
Total	1,382
Direct and associate members in good standing on October 11, 1930.....	1,083
Number of delinquents	65
Direct and associate members lost during the year from the following causes:	
Resignations	140
Gone out of business	62
Expelled	2
Dropped for non-payment of dues.....	29
Dropped from membership list for violation of Section No. 5 of the Grain Standards Act	1 1,382
Net decrease in direct and associate members during the year, 53.	

Affiliated Members

Affiliated members reported at the last convention	2,148
Affiliated members on October 11, 1930.....	1,891

Decrease	257
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Direct, Associate and Affiliated

Total number of direct, associate and affiliated members reported at the last convention.....	3,349
Total number of direct, associate and affiliated members on October 11, 1930.....	3,039

Decrease	310
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The number of new members secured during the year, as will be seen in the foregoing table, is 181. This is a slight increase over last year when the number taken in was 174.

When everything is considered—the general lack of prosperity in the trade caused by the low prices of grains and the activities of the Federal Farm Board—it will be conceded that the number of new members secured reflects great credit on the boosters who have worked earnestly and intelligently to keep up the membership in the face of much discouragement.

The new concerns that go into the grain business are fewer in number each year. This is due to the conditions that surround the business. It is not necessary for your secretary to mention these conditions because they are only too well known to everyone. Nor is it necessary to state that many of the older companies are retiring from active business or they are consolidating with others.

Again, the association has been conducting annual booster campaigns for 18 years. Naturally this narrows the field each year because most of the non-members have been canvassed repeatedly.

Last year the association lost 187 members. This year the number was 234. The number of members who went out of business last year was 42. This year 62 members retired. It will be seen that the increase in the total number of members lost during the year was due partly to this fact.

The Boosters

When all the circumstances are revised it is plain that the boosters have done remarkable work since the last convention. Without these disinterested, unselfish workers the association would cease to exist. No praise can be too fulsome in describing their efforts to keep up the membership. For 18 years, nearly a generation, they have labored, without thought of reward, and with the sole purpose of keeping alive interest in the national association. Each year the association gives a few prizes to the more successful boosters. These prizes are not, however, awarded because of their intrinsic value but merely as a slight token of appreciation for valuable services performed.

Four prizes will be given this year to the four standing highest on the roll of honor. These four are:

J. P. Parks, St. Louis, Mo.
J. M. Adams, St. Louis, Mo.
C. H. Ulring, Minneapolis, Minn.
C. E. Helm, Cleveland, Ohio.

Mr. Parks secured 20 new members, while Mr. Adam induced 12 to join. Mr. Ulring and Mr. Helm each landed 8.

The largest number of members landed by any one booster was secured by Leo Potishman, of Fort Worth, Texas. He brought 28 into the fold. He led the field, and is, of course, entitled to the first prize, but he foregoes this honor and unselfishly gives the prize to the next highest booster, Mr. Parks.

Mr. Potishman is one of the most valuable members

the association has ever had. Year after year he has secured many new members. He has won several booster prizes in the past, so that there would be no novelty in his winning another. In 1928 he induced 36 non-members to join and this year he brought 28 into the ranks. This makes a total of 64 that he has captured in two years. What other member can show such a record?

His refusal to accept a prize this year is due to the fact that he wants the honors to be "passed around" as much as possible so as to hearten others in the booster work. His great labors this year in landing 28 new members was inspired solely by love of the association, divorced from any consideration of prize winning.

President Secures Seven Members

President Dow secured seven new members. F. S. Wertz & Son, of Reading, Pa., landed five. T. E. Hamman, Arcola, Ill., got four, and W. H. Harter, Minneapolis, also secured four. Seven boosters each induced three to join and nine of them got two new members each.

To give an idea of how effective the booster campaign was it may be pointed out that 61 boosters each secured one or more new members. This shows more than words the activity of all the boosters in the last campaign.

The work of J. P. Parks, J. M. Adam, O. H. Ulring and C. B. Helm, the four prize winners, deserves the highest commendation. Of the four mentioned the first three had never been in a booster campaign before, but they acted like veterans.

Since the association took over the feed distributors' association and changed its name to include the word "feed" in its title, the feed trade has shown a disposition to co-operate fully and to look upon the organization as its "home." No longer is it regarded by them as merely a "grain" association, hence a large number of the new members secured since the last annual convention are feed dealers.

Following is the financial statement of the association covering the period from October 14, 1929, to October 12, 1930, inclusive:

Cash on hand last report	\$ 6,775.15
United States Liberty Bond	5,065.63 \$11,840.78

Receipts

Direct and branch dues	\$17,718.00
Direct and branch memberships	3,479.50
Associate dues.....	672.50
Associate memberships	39.00
Regular subscriptions to Who Is Who....	585.00
Affiliated subscriptions to Who Is Who....	792.50
Who Is Who advertising	14,712.79
Sundries	129.97
Arbitration deposit fees	455.00
Affiliated dues	792.50
Investments	212.50
Total receipts....	\$39,589.26

Grand total

\$51,430.04

Expenditures

Salaries	\$13,817.42
Office supplies.....	930.68
Express and telegrams	257.23
General printing....	1,025.53
Who Is Who in Grain and Feed	15,028.39
Office rent	1,968.12
Telephone rent and tolls	143.15
Refund, arbitration deposit fees	605.00
Legislative expense..	2,083.99
Officers' traveling expense	566.76
Secretary's traveling expense	957.73
Postage	1,525.00
Sundries	154.74
Convention expense..	2,033.56
Arbitration expense..	422.53
Returned application fee	20.00
Transportation expense	699.71
Total expenditures	42,239.54

In Bank:

Commercial account\$ 3,803.51
Petty cash account . 327.00

\$4,130.51

Less outstanding check
5.64

Investments:

United States Liberty Bond
\$ 5,065.63

5,065.63

\$51,430.04

Conclusion

Your secretary, before closing his report, wishes to congratulate President Dow on his successful administration during one of the most trying years in the history of the association. He has been constantly at your service in every emergency and he has labored earnestly and with self-effacement in your cause. It has been a great pleasure to have had the opportunity to work with him.

To the chairmen and members of all the committees and to C. D. Sturtevant, F. G. Horner, and F. E. Watkins, former presidents of the association, your secretary desires to express his heartfelt thanks for their assistance and valuable counsel during the year.



FIRST VICE-PRESIDENT S. P. MASON

vention in 1930 to decide the question once and for all, after they had had a year to think it over.

Joining the National Chamber

Since the last annual meeting the Grain and Feed Dealers National Association has taken out a membership in the Chamber of Commerce of the United States of America. The membership entitles the association to nine regular delegates and a national councillor, or 10 delegates in all. This gives us 10 votes on all referendum submitted to members. It also gives us 10 votes at all annual meetings of the chamber at Washington.

At the present time the chamber is canvassing its membership through a referendum by mail, on the subject of commodity exchange trading. This is of great importance to the members of the Grain and Feed Dealers National Association.

The 10 delegates and the national councillor have not yet been selected by the association. This matter has been held in abeyance pending the Chicago convention at which it is expected the delegates will be named and the vote sent to Washington. The polls on the referendum close on October 18.

The application for membership in the chamber was made at the direction of the executive committee of the association. It was felt that the time had come to seek membership in the greater organization because of the constant encroachment on business by the Federal Government. This encroachment culminated in the passage of the farm relief bill, or Agricultural Marketing Act. The action of the chamber in calling for the repeal of those sections of the bill which discriminate against private business warrants the support of the chamber by the association.

At the annual meeting of the chamber, held in Washington on April 28 to May 1, the now famous resolution condemning the Agricultural Marketing Act

President Dow: We are now ready to take up the question of our annual dues. At the Peoria convention one year ago its was voted to increase the dues to \$25 a year, but this action was subject to ratification by this convention. I think Mr. Quinn stated that this matter has had the approval of the board of directors.

It was voted, on motion by A. B. Hessburg, seconded by Mr. Caldwell, that the dues be raised from \$20 to \$25 a year.

At this time booster prizes were presented to: J. P. Parks, first prize; J. M. Adam, second prize; O. H. Ulring, third; and Mr. Helm, fourth.

President Dow: The by-laws provide that the president shall appoint a nominating committee of seven, which shall present a list of candidates for our election Wednesday.

I want to state that I am following the footsteps of our good friend, Mr. MacDonald, in retiring at this time.

Nominating committee: C. D. Sturtevant, Omaha, chairman; J. M. Adam, St. Louis; O. F. Bast, Minneapolis; C. A. Davis, Cedar Rapids; John L. Grim, Louisville; Fred Watkins, Cleveland; E. C. Dreyer, St. Louis.

Resolutions committee: Fred G. Horner, Chicago, chairman; B. E. Clement, Waco; Frank Coe, Chicago; A. H. Hankerson, San Francisco; T. B. King, Central City; Roland Jeannerette, Kansas City; J. H. Caldwell, St. Louis; W. W. Manning, Fort Worth; H. I. Baldwin, Decatur.

Auditing committee: W. J. Edwards, St. Louis, chairman; R. W. Hale, Nashville; E. H. Sexauer, Brookings.

Mr. Hessburg: There is a matter I would like to present to the association, that is giving those of us in the Northwest a great deal of concern: The Strong Bill that our secretary has referred to.

A number of banks are failing in the Northwest, collecting banks, making it dangerous for us to do business with some of the interior points, particularly where our assets are comingled with those of the banks. I think it is a matter of grave concern to the grain trade, and we should have some action that will protect the shipper.

I believe if this association would do so, they could get someone to underwrite this.

I move that the officers take up the matter of insurance for the shipper against loss incurred through failure of the receiving banks of drafts sent to them for collection. These funds should not be mingled with the funds of the bank incurring failure.

Motion was seconded and carried.

Secretary Quinn: I might say that Mr. Kuykendall, of New York, appeared before the board of directors, and covered this quite fully, but his plan followed the idea of having the secretary of the national association, or someone selected by the association, to act as a sort of fiscal agent, and that looked to the members of the board as though it was involving the association quite closely in some actuarial work that might not prove successful, and might do harm to the association. I think the idea of the directors was that while they wanted Mr. Kuykendall or the company he represents in New York to deal individually with the members rather than with the association as a body, we had no objection to his making any kind of an arrangement with the individual members that was satisfactory to both parties.

Adjournment was at noon.

Tuesday Morning Session

The meeting convened at 10:15 o'clock, President Dow presiding.

President Dow: We will come to order, and we open our program this morning with an address on "The Agricultural Marketing Act, a Dangerous Assault Upon the Form, Ideals and Purpose of Our Government," by F. Dumont Smith, chairman of the Citizenship Committee of the American Bar Association, Hutchinson, Kan.

ADDRESS OF F. DUMONT SMITH

I ASSUME that I owe the honor and pleasure of being here today to the fact that I was the first to start an open, public fight on the constitutionality of the Agricultural Marketing Act, commonly known as the Farm Relief Act. I think I prefer the latter designation; it is more apt because it bids fair to relieve the farmer of what little he has left.

This utterly unconstitutional and revolutionary enactment went through congress without a single objection on that ground. It passed by the newspapers and public opinion was entirely quiescent, until as chairman of the Committee on American Citizenship of the American Bar Association I offered a report condemning it. The executive committee of the association deleted that portion of the report as a matter of policy and not because any member of that committee disagreed with the report. I know that. Not only that, but if the report had come before the full membership of the association it would have been overwhelmingly adopted.

One curious thing happened: A member of the farm

board told a friend of mine that they knew the report would not be adopted because they had "counted noses." Since there were over 2,000 members registered at the meeting I am wondering how many emissaries they had there to count noses. They must have had as many as there were Chicago bootleggers.

Another curious thing happened. The farm board looked up my record in Hutchinson, not for anything dishonorable but because they thought I must in some way be connected with the grain trade and have some pecuniary interest in attacking this act. They found I had none, and for the benefit of the farm board, I will say now that no grain man was consulted in the preparation of that report, or ever knew anything about it until it was released for publication on July 15. Apparently the farm board could not understand why a lawyer who had taken a solemn oath to support the constitution of the United States should attack this vicious measure without some hope of pecuniary reward.

I have been asked to talk to you about the constitutionality of this measure. To understand it we must consider that rather dry and uninteresting subject, the Federal constitution. There is fortunately no precedent in our past history for any such act. To determine its constitutionality we must go to the origin and fundamentals of our constitution.

Our Federal Government was formed by the union of 13 independent sovereign states that had achieved their independence from Great Britain. Each of these states was as completely sovereign as Great Britain or France. Little Delaware, for example, that as Ingalls said "had three counties when the tide was up and four when it was down," could make war and peace, keep an army, build a navy, send ambassadors to foreign countries and do anything that any other civilized government could do.

They had been loosely united in the Continental Congress and later by the confederation. The latter was simply a league of the states and not a national government. To form a true national government, and not merely a league or confederation, it was necessary to take from these sovereign states the governmental powers that were necessary to a national government, a government of all the people.

It was peculiarly fortunate for these 13 colonies that they contained, at that time, more statesmen of the first rank than were ever produced in a single generation in any country since the dawn of history. In these 13 colonies straggling along the Atlantic coast, with less than 4,000,000 people, there were at least 50 men who would have taken front rank in any parliamentary body in the world, then or now.

There were a half dozen like Hamilton, Jefferson, Madison and others who were the peers of any that have ever served in the British parliament in its long history. The same generation produced a half dozen of the greatest lawyers this country has ever known, men like Marshall, Wythe, Wilson and others. To them we owe the success of our Government.

Most of these men were sent to the constitutional convention in May, 1787, because they were appointed by the governors of the colonies and not selected by a direct primary, thank God.

They took from the states such rights of sovereignty as belonged to a national government of all the people, such attributes of sovereignty as concerned all the people, and out of this formed a national government, and they left to the states all the powers of sovereignty not necessary to a national government. Of course, that demarcation was not quite distinct. There remained for a long time, until defined by decisions of our supreme court, a certain shadowy borderland between these rights which have now been pretty thoroughly surveyed and established. But mark this, in forming this national government they took not one single right from the individual citizen.

Between 1776 and the establishment of the new national government, 11 states had adopted new constitutions. Connecticut and Rhode Island, which operated under very liberal charters from the English government, continued to function under the old charters, one until 1808 and the other until 1815. All of these constitutions, either by preamble or by a bill of rights, had carefully safeguarded the rights of the individual citizen from interference by their state government.

The people had been accustomed to what was called the bill of rights for the protection of the individuals, and when this constitution of purely delegated and limited powers was submitted for ratification, to conventions in the different states, elected by the people for the consideration of that one question, should the federal constitution be adopted, the people were suspicious of the new government because it did not contain a bill of rights.

There were bitter conflicts in some of the states over this question. These people had been familiar with the government of the British parliament, omnipotent in its power, oppressive, granting monopolies to individuals or companies, extortionate in their practice, and were determined not to submit themselves to a similar government. So in the adoption of the constitution there was a kind of a gentleman's agreement among the great men of the colonies that there should be attached to the constitution a bill of rights and when the first congress met one of the first

things with which it concerned itself was amendments along this line to the constitution.

Something like 130 amendments were proposed. The house cut these down to 36. The senate cut them to 12 and 12 were submitted. The eleventh and twelfth were never adopted but the first 10 were speedily adopted and are generally treated as part of the original constitution and commonly called the bill of rights.

The first eight of these amendments really constitute the bill of rights. They are concerned entirely with the rights of the individual, religious freedom, freedom from unreasonable search and seizure, the right to carry arms, peaceable assembly, right to trial by jury, and so on. Then congress, as a measure of security and to be sure there should be no encroachment by the Federal power, adopted the ninth amendment:

"The enumeration in the constitution of certain rights shall not be construed to deny or disparage others retained by the people."

This was a sort of interpretive measure. It would seem that considering the limited power of the national Government that this declaration should have been sufficient but these sturdy, old individualists were not satisfied and adopted the tenth amendment, and the history of its adoption is very illuminating. As it first appeared it read:

"The powers not delegated to the United States by the constitution, nor prohibited by it to the states, are reserved to the states respectively."

That is the way the amendment came in, but it was suggested that this simply reserved to the states the sovereign, the governmental powers not delegated to the Federal union. What about the rights of the people? And in order to make it still more secure the words "or to the people" were added. So the tenth amendment now reads:

"The powers not delegated to the United States by the constitution, nor prohibited by it to the states, are reserved in the states respectively, or to the people."

If it were a sovereign right like police power, control



WEIGHMasters AND INSPECTORS
B. H. Johnson, Kansas City; S. A. Holder, Indianapolis; D. H. Larkin, Baltimore; H. R. Clark, Omaha; Paul Lawson, Sioux City; T. B. Armstrong, Kansas City; and J. A. Hallam, Cincinnati

of schools, the franchise and so on it was reserved to the states, but every right that the people of these United States had as individuals when the constitution was adopted was not only not granted to the Federal Government, but was expressly reserved to them.

These amendments have been under the scrutiny of the courts dozens of times and always upheld. They are the charter of the liberties of every American citizen and have stood for 140 years until June 15, 1929, when this act was adopted.

There is, however, another clause of the constitution to which reference should be made. The eighteenth clause of section eight provides:

"That congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers."

Under this section we have what are called the implied powers of the Federal Government. These implied powers were thus defined by Chief Justice Marshall in *McCullough versus Maryland*:

"If the end be legitimate, let it be within the scope of the constitution and of means which are appropriate, which are clearly adapted to that end, which are not prohibited or inconsistent with the spirit of the constitution are constitutional."

This is the definition and the limit of implied powers I shall have occasion to consider this again after I have examined the Farm Relief Act. It must be apparent to you from what I have said that the spirit of the constitution is the spirit of the Declaration of Independence, namely, individualism, liberty to engage in any lawful kind of business without interference from the Federal Government and above all equality before the law, equality of opportunity, equality of protection, equality of privilege.

A hundred years passed before the Federal Government interfered in any way with the business of the citizens. The Federal Government was given power to regulate interstate commerce. The first act

regulating it was passed in 1889, the Reagan Act. The control of transportation by the states had resulted in a state of chaos and congress by this act finally grasped the power to control, and regulate interstate commerce. One of the most familiar examples of these implied powers is found in connection with this power. You will understand that the Federal Government is given no police power in the ordinary sense.

The power to punish crime, to suppress disorder, is left to the states. Federal Government only punishes crimes under Federal law. During the railway strike in 1893 the strikers took complete possession of all the railroad yards in Chicago, stopped the running of all trains, burned freight cars, destroyed property and utterly paralyzed railway traffic through that great city.

Altgeld was then governor of Illinois, a bolshevist in his sympathies, and he refused to call on the Federal Government for help. Cleveland, with that rare courage and discernment that distinguished him, sent Federal troops on his own initiative to Chicago. They took possession of the yards, suppressed the violence and disorder and restored the movement of commerce.

The supreme court upheld this action of the executive and of the courts because it said that it was the peculiar duty of the Federal Government to handle the mails and, therefore, it had a right to suppress anything that interfered with their transit; that because the Federal Government was given power to regulate interstate commerce it could suppress any disorder that interfered with its regulations and the regular movement of interstate commerce.

I turn back for a moment to impress upon you the individualist policy and theory of our Government. In the eighties there grew up a tendency towards monopolies and the formation of trusts in restraint of trade. Congress promptly passed the Sherman Act prohibiting trusts and monopolies in restraint of trade.

Many prosecutions have been brought under that act, like those that dissolved the Trans-Missouri Freight Association and the Northern Securities Company. This was followed by the Clayton Fair Trade Act prohibiting monopolies, combinations and unfair practices that tended to suppress or prevent individual competition and the establishment of the Federal Trade Commission which is charged with the peculiar duty of investigating all violations of that act.

In short, for 140 years not only the constitution but its spirit has inspired all Federal legislation—the spirit of individualism, the protection of competition, the prevention of monopolies, the suppression of any privilege of one class above another. That was the spirit and purpose of the constitution and our laws for 140 years until June 15, 1929, when the Agricultural Marketing Act was passed.

Before going further let us examine this act. The title of the act is:

"An act to establish a Federal Farm Board to promote the effective merchandising of agricultural and commodities in interstate and foreign commerce."

This is a gross and palpable misstatement of the purposes of the act. There is not a line, a word, or a syllable in the act that confines or restricts the operations of the farm board, or any of its agents or subsidiaries to interstate or foreign commerce. Every transaction provided for in the act may be carried out within a single state. The board, the stabilizing corporation, the co-operative associations, and their clearing house associations may buy a carload of grain and sell it in the same state, the same county, or the same town.

The same kind of a fraud was attempted by congress in the Child Labor Act which pretended to be an act to regulate interstate commerce. The supreme court of the United States promptly punctured the fraud. It held that the act was not a regulation of interstate commerce and was, therefore, invalid. The statement is an attempted fraud upon the public and upon the supreme court of the United States.

Let us here consider the nature of interstate commerce and the power of Federal regulation. Generally interstate commerce begins when and only when a commodity is delivered to a carrier to be shipped beyond the limits of the state. There are intermediate functions such as milling in transit, cleaning, blending, grading of grain, and the control of interstate stock yards, which form parts of the machinery of interstate commerce, and which are subject to Federal regulation.

These are the exceptions, but the rule is as I have stated. In the regulation of interstate commerce the Interstate Commerce Commission is given very great powers. It is unnecessary here to enumerate as you are familiar with them, but congress is not given any power under that clause to stabilize, fix, or control the price of commodities so shipped. It has no more power to engage in the merchandising of commodities to be shipped interstate than it has to control the price of a load of grain sold by one farmer to another and moved one mile from the place of its production.

The regulation extends simply to the movement of interstate commerce, nothing more, and to attempt to give a governmental board the power to regulate, control, fix, and stabilize prices of any commodity because it moves beyond the limits of a single state,

is absolutely extra-constitutional. No court has ever upheld or ever will uphold such a power under the interstate commerce provision of the constitution.

The important point to consider in this connection is that where a granted power is sufficient for the purposes intended there is no room for the application of any implied power. It is only where the granted power is insufficient as in the case of the Chicago railway strike that the implied power may be invoked or used.

Will any court on earth say that in the particular matter of regulating interstate commerce, so far as the moving of the commodity is concerned, that the granted power is insufficient? Will any court say that, following Marshall's definition, it is necessary for the Government itself to buy and ship the commodity? How would that promote interstate commerce? Of course, the proposition is absurd.

To return to Marshall's definition of an implied power. It must be necessary, the means must be appropriate to the end desired and it must not be inconsistent with the spirit of the constitution.

This act is absolutely unnecessary. The means proposed of the Government going into the merchandising business are not appropriate to the regulation of interstate commerce and it is not merely inconsistent with the spirit of our constitution, but absolutely destructive of it.

But it may be suggested that this power is justified under that clause of the constitution which permits congress to "promote the general welfare." The word "general" as used there does not mean that the welfare must be for any one class in the United States. A familiar example of the operation of this power is in the Mississippi flood relief appropriation three years ago. That vast flood devastated millions

of constitutional equality to place each branch of agriculture on a parity with every other branch.

The corn grower must be placed on a parity with the wheat grower, the orange grower with the grape grower, the cotton grower with all of these. So it would be the duty of the farm board to examine carefully the average earnings of each branch of agriculture, to see that none earns a lower return than the other. The dairy man who sells his whole milk in the city must be placed on a parity with the dairy man who sells his butterfat to the creamery and the creamery industry must be put on a parity with all of these others.

If agriculture is to be placed "on an economic equality with other industries" what industries? With soft coal which is not now paying a dividend, or with that industry dominated by the harvester trust, the manufacture and sale of agricultural implements? With steel or the woolen industry which is now languishing, or on an average with all of them?

Again, if it is the business of the Government to place one industry, agriculture, on a parity with others then it is equally the business of the Government to place other industries on a parity with each other, coal with automobiles, woolen manufacture with aluminum and so on.

But what about the laboring man? The insistence of the farm leaders in passing this act was that the farmer was entitled to a fair return upon his investment and a fair wage for his labor and superintendence. If the farmer is entitled to a fair wage for his labor and continuous employment why not the other class who work with their hands?

There are today 4,000,000 laboring men out of employment. If they are to be put upon an equality under the constitution they must have employment at a fair wage. In other words, we come to the English dole.

When the Government has taken charge of all these industries, and placed them on a parity, this will happen. The farmer will have to pay his share of the dole to the coal man, and the coal man to the oil man, and so on. And this great republic, that once contained the most independent, high spirited, liberty loving, self-respecting and self-supporting people in the world, will reach the happy condition of that community where all the inhabitants made a living by doing each others' washing.

Among the other objects of the act is the provision "for preventing inefficient and wasteful methods of distribution."

Perhaps Mr. Legge can explain what there is that is wasteful and inefficient in the present methods of distribution, built up through several generations of intelligent, thoroughly experienced dealers, governed by individual profit and loss. I think it will be admitted that if there is in this country today one single business that is absolutely free from the taint of monopoly, in which there still exists in full flower the American ideal of open, free and even bitter competition it is the grain business.

Inefficiency and waste cannot exist under such competition. Which is more likely to be efficient and economical, business in the hands of men trained to do it for a lifetime, men inheriting the traditions of the trade, who must pay the cost of their own waste and inefficiency, out of their own pockets, or groups of inexpert farmers, with a small salaried manager, all losses to be paid by the government? The question answers itself.

Let us examine the powers of the board. They are to organize "stabilizing corporations" in each line of agricultural production when requested by the advisory committee of that branch; and as many and where they please. There is no requirement that these corporations shall have any paid up capital stock. On the contrary the board is directed to loan these corporations sufficient money for "working capital." This, of course, negates the idea of any contribution of capital by the members.

It is to organize "co-operative associations" in each branch of agriculture and to loan up to 80 per cent of the cost of the physical equipment necessary to the operation of the business, such as elevators, mills, canning factories, creameries, and so on. The association only furnishes 20 per cent of the cost. This 20 per cent, of course, would be less by depreciation at the end of one year. The loan to the members of the associations is a larger percentage of the market price than any sound, conservative bank would lend, and mark this, at the lowest rate of interest, that the Government pays on any of its obligations issued since April, 1917, when we went into the great war, plus one-eighth of one per cent, and in any event not to exceed 4 per cent.

To loan the co-operatives the premiums on "price insurance." What that means I do not know. That is the craziest thing in this crazy bill.

To form clearing house associations (that is grain exchanges), for the producers' co-operatives, furnishing the capital for these. The "stabilization corporations" are authorized not only to handle products of the co-operatives but to buy and sell these products in the open market, from and to any dealers, regardless of their connection with the co-operatives.

The co-operatives are given 20 years in which to repay the cost of their physical facilities. These various branches are empowered, at Government expense,



FRED G. SMITH, CHICAGO, AND L. M. JEFFERS, SACRAMENTO, CALIF., AT CONVENTION HEADQUARTERS

of acres in six states, rendered thousands of people homeless, destroyed the purchasing and consuming power of hundreds of thousands. It was a catastrophe too vast for private relief, or even state relief, and the government stepped in.

It was justified because the relief of these destitute people, the reclamation of their lands, the restoration of their producing and consuming power would, by filtration, help the whole Mississippi Valley, and there was a further reason. The Mississippi is a great inland waterway, not only for interstate, but for foreign commerce, and it was the duty of the Federal Government to bridle the river and bring it back within its bounds.

But no court has ever held or ever will hold that it conduces to the general welfare for the Government to engage in private merchandising business in competition with its own citizens, long established in that business; to tear down one class to build up another, to filch from the pockets of 90 per cent of the people to put the money into the pockets of the other 10 per cent. This is not "general welfare." It is legalized larceny on a colossal scale.

The title further says that the purpose of the act is: "TO PLACE AGRICULTURE ON A BASIS OF ECONOMIC EQUALITY WITH OTHER INDUSTRIES."

Upon what authority is it the duty of the Federal Government, or upon what authority has it the power to dry nurse any industry, cuddle it, and place it upon a parity with all other industries? But pursuing the purpose of the act if it is the duty of the Federal Government to place agricultural industries on an economic equality with all other industries, then it is equally the duty of the Government, under the theory

to "prepare, purchase, handle, store, process, and merchandise any agricultural commodity," to prepare it for consumption regardless of from whom purchased.

All of these subsidiaries are absolutely under the control of the farm board in every particular, not only as to their books, accounts and records, but as to their general management. The farm board is the sovereign, and absolute despot of the whole vast system, and finally it winds up by enacting that no member of any of these associations shall ever be assessed for any loss incurred in the operation of these vast and complicated business enterprises.

Once upon a time three small boys formed a co-operative association for the purpose of purchasing a five-cent cigar; this association differed from these modern associations in that these boys furnished their own capital. The two small boys furnished two cents each, and the big boy one cent. Being the biggest boy, he bought the cigar and started smoking it. Presently one of the smaller boys said "Lemme smoke that cigar a while." The big boy said: "Naw, gwan you're just a stockholder. You can spit."

You will observe that Uncle Sam is the only stockholder in this vast enterprise, and he has invested \$500,000,000 in it to be used for what?

The board has loaned money on wheat, cotton, and tobacco. It has loaned money on oranges and butter, pecans and poultry, grapes and beans, and eggs. Something seems to have been omitted, but I have no doubt, that if Mr. Heinz would change his corporation into a co-operative association Mr. Legge would loan him money on his 57 varieties and thus assure us of our daily supply of pickles.

This act became effective on June 15, 1929, and the board was speedily organized. One hundred and fifty millions out of the \$500,000,000 was immediately made available and in the spring of 1930 another \$100,000,000 was appropriated. On October 28, 1929, when the December wheat option stood at around \$1.34 Mr. Legge announced that he was going to "peg" the price there and that, thereafter, loans would be made at \$1.18 a bushel.

Wheat continued to slump until at the present time it is around 80 cents. The board has lost about 40 cents a bushel on every loan, or approximately one-third of the amount invested. Evidently something happened to the "peg." In fact, as a matter of efficiency, Mr. Legge's "peg" was not much better than a peg leg. It might be impertinent but what a delicious nickname to hang on that distinguished gentleman—"Peg Legge."

In the summer of 1930 Mr. Legge was caught "bootlegging" his own wheat. He had sold 4,000,000 bushels for export at a cut price. I say caught because it was done secretly. When the matter came out Mr. Legge stuttered for about 24 hours and then announced that he was compelled to sell it for lack of storage, but would immediately buy 4,000,000 to replace it.

I would like to ask Mr. Legge if he had to sell these 4,000,000 bushels for lack of storage where he got the storage for the 4,000,000 bushels he bought, if he did buy it? This sale was in absolute violation of his previous promise that no part of the 69,000,000 bushels which the farm board held should be thrown on to the market this season.

Then Mr. Legge made a remarkable discovery. He discovered that there was a law of supply and demand, inexorable, immutable as the procession of the equinoxes. Naturally, having been raised in the school of monopoly, the Harvester trust, making its own law of supply to fit the demand, it astonished him and he went out to tell the farmers about it.

He went in royal state, in a private car, with stenographers, reporters, and experts. I hardly think it was necessary to appropriate \$500,000,000 to tell farmers about the law of supply and demand. They knew it by bitter experience. They have known it ever since the first wheat farmers in Mesopotamia took their wheat to the ancient city and found that the market was already supplied. They have known it since Joseph interpreted to Pharaoh his dream of the seven fat and seven lean kine. Mr. Legge went out to tell them that they must reduce their production to domestic requirements, that unless they did the farm board could and would do nothing for them.

I wonder if Mr. Legge fully appreciated what that meant? It was a complete and abject confession that the whole scheme and purpose of the Farm Relief Act had utterly failed. The purpose of it, however, veiled and concealed by camouflage and smoke screen, was to raise the price of agricultural products. There was no other excuse for it. Mr. Legge admits that the farm board cannot do it, that the farmers must do it themselves by reducing their production to the needs of the home market. Since then the members of the farm board have been sitting in a kind of daze, watching agricultural products slump in price, at \$1,000 a month each and expenses.

The other day two members of the board gave out interviews on the same day. One of them was a bear interview, saying there was no hope for the wheat farmers. The interview with the other member was a bull interview, saying wheat was bound to go up.

I should say, with all due respect to the farm board, that mentally they are in about the condition of a dog I once saw in an express office. He was a

very handsome setter, and I asked the agent where the canine was going. The agent looked at me with a disgusted expression and said: "I don't know, and he don't know. The damn fool has eat up his tag."

Since it is apparent not only by the complete failure of the stabilizing or price-fixing operations of the board, but also by the open confession of Mr. Legge that the whole purpose and object of this act has completely failed, with enormous loss to the taxpayers, why is the board kept alive? Why do they persist in their futile and wasteful operations?

To understand that we must study Mr. Alexander Legge a bit. Mr. Legge has spent his business life in the employ of the International Harvester Company, generally known by its descriptive name of "Harvester Trust," that colossal aggregation of capital whose sickles are heard in every grain field of the world, from the plains of Siberia clear around the globe to the valleys of California, that vast monopoly that exacts its toll from every loaf of bread consumed by half the civilized world.

He began as an humble collector for the company in Omaha. He is six feet two in height, weighs 200 pounds and beneath a suave exterior conceals a granite will. When he went out to collect he collected and generally sold another bill of goods to the debtor. Such talents were speedily recognized and he climbed the ladder until he became vice president, and general manager, and in 1922 he succeeded Harold McCormick as president at a salary of \$100,000 a year.

He testified before the senate committee in August, 1929, that his holdings in the Harvester trust, at that time, were worth \$1,000,000, and that they had quadrupled in nine years, since 1920, that is to say, his investment of \$250,000 in 1920, without any contribution of capital, by cutting the melon, had in nine years become \$1,000,000. In the meantime, he

refused, with a loss of millions to itself. Evidently the Standard Oil Company has a conscience which the Harvester trust wholly lacks.

Mr. Legge has a Napoleonic ambition, and something of the Napoleonic mind. He was raised in the school of monopoly and is utterly opposed to the American spirit of individualism, of free, fair and open competition. His conception of business is a vast monopoly, controlled by a very few men, operated by hirelings who wear the company's collar and brand. In effect, while he may be a high class citizen in other respects, in this regard, he is absolutely un-American.

His plan is before us now and that is to monopolize, in the hands of the farm board, the entire distribution, merchandising, and processing of food products, through its various subsidiaries, all dominated and absolutely controlled by the farm board.

The farm board, among its other powers, is directed to purchase surpluses, a mandate which it is now illegally disobeying. These surpluses are to be held until such time as the farm board, in its judgment, chooses to sell them, and whenever, in its judgment, prices have become so high as to be oppressive to the consumer. In other words, complete and perfect this plan, and Mr. Legge holds in his hands the whole distribution of the food supply of this great nation and the price that the consumer shall pay. No such power was ever before conferred upon any man, or any set of men, in any civilized government in the world.

I have no criticism of co-operative associations if they are freely formed on the initiative of the producers, and financed with their own capital, but I am opposed to the producer being coerced and bribed into co-operatives by money taken from the other taxpayers.

Mr. Legge has a horde of agents out traveling the country, some 36,000, I have been told. Probably that is an exaggeration. They say to the producer, go into the co-operative associations. The Government will furnish 80 per cent of the cost of your mills, canning factories, creameries, or what not, and give you 20 years to pay for it at 4 per cent. It will loan you up to 90 per cent of the market price of your product at 4 per cent. If it succeeds you get all the dividends and the Government gets nothing. If it fails you incur no loss whatever. Uncle Sam stands that.

If you do not go into the co-operatives the fact that you are a producer, that you are earning a living on your own land, by the sweat of your own brow, does not matter. You will get no dole, find no help, no support, no sympathy from the Government.

Naturally under these circumstances the co-operatives will increase rapidly in number. Think of the privileges held out to them, that are denied to every producer who is not a member of a co-operative. This class distinction alone, in my judgment, would render this act utterly unconstitutional. It is not a natural classification. It is arbitrary and discriminative.

I have tried thus briefly to paint for you a picture of our constitution, its foundation, its purposes, its ideals, its individualist spirit. It is admitted by every competent observer here and abroad that it is the most perfect form of government ever conceived by the mind of man for a far flung territory like ours, a national government adequate for every national purpose with state governments competent and adapted to local needs, from Maine to California, from Florida to Minnesota.

Consider for a moment what we have accomplished under that constitution. When it was adopted we had less than 5,000,000 people and we had hardly crawled across the summit of the Alleghenies. Today we have 120,000,000. We have conquered the tractless forests, the pathless prairies, the mountains and the deserts. We front the rising sun on the Atlantic and the sinking sun on the Pacific and that sun never sets upon our flag. We have bound the continent together with steel bands and hung the whispering wires from ocean to ocean. We have taught men to swim like the fish and fly like the bird. We have contributed more to arts and sciences, the comfort and uplifting of the human race in the past 50 years than mankind had done in all the millennium before.

By whom was all this done? By farm boards, Government bureaus and bureaucrats, departments, and officials? Not so. This constitution that protects every citizen in his life, liberty and property, at the same time has released the marvelous individuality, enterprise and ingenuity of the American people, and has produced these results.

Today we stand upon the very pinnacle of this world's power and prosperity, envied by all nations. And now it is proposed to substitute for that individualism that has accomplished these results an iron clad oligarchy of Washington bureaucrats, to substitute for this free representative republic of ours a soviet, communistic commonwealth. It is a solemn hour. Here the path divides, one follows the old ideals with all their past glory and fruition, the other leads to the destruction of the constitution, the ruin, and the extinction of those ideals.

I have no desire to inject into this discussion a personal note, but since I have spent many years in the study of the constitution, and much of my time for 10 years in teaching it to the people of the United



M. J. MECKER, MISSOURI STATE INSPECTOR, AND
R. R. DE ARMOND, ST. LOUIS

had received close to \$1,000,000 in salary, and this during the bitterest period of depression that the American farmer has ever known.

One dollar invested in the Harvester trust stock when it was formed in 1901 is today, without the addition of a dollar of contribution to its capital, worth \$15 in addition to paying steady dividends, and every one of these \$14 unearned increment, has been wrung from the sweat and toil of the American farmer.

This Government has steadfastly refused to have diplomatic relations with the soviet government of Russia, the most cruel, blood-thirsty, unscrupulous and odious government that the world had known in modern times. Its avowed purpose is to destroy every other civilized government, but the Harvester trust is on the friendliest terms with this bunch of pirates, selling them millions of dollars worth of modern farm machinery and teaching the Russian peasants in the vast plains of the Ukraine, particularly adapted to the use of this machinery, to raise wheat in competition with the American farmer.

This threat of Russian competition, with its pauper labor, is one of the depressing influences in our wheat market today. Have you heard of Mr. Legge, or his associates, advising the Russian peasants to reduce their production in order to raise the price? I have not heard of it.

The Standard Oil Company was once condemned as an odious monopoly, but times have changed. It is today in open, fair competition with a score of powerful rivals. The soviet government offered to sell to the Standard the vast output of the Baku oil fields, stolen bodily from the foreign owners. The Standard

States, I am bound to believe that if the Supreme Court of the United States, that great tribunal from whose decree there is no appeal except to the bar of God, if that court of last resort shall hold valid this subversive and revolutionary measure called the Agricultural Marketing Act, then the constitution of the United States will have ceased to exist.

President Dow: Our next address is the "Decision of the Interstate Commerce Commission in the Western Grain Rate Case," by John E. Curtiss, Former Chairman of the Nebraska Railway Commission, Lincoln, Neb. (Applause.)

ADDRESS OF JOHN E. CURTISS

I APPRECIATE the compliment paid me in being placed on your annual program. I have been requested to discuss the Hoch-Smith Resolution, particularly as it relates to I. C. C. Docket, Part 7. This is more familiarly known as western grain rate case. The commission's investigation and order in the matter had to do with the "rates and practices affecting the transportation of grain and grain products throughout the western district" which includes all territory in the United States on and west of the Mississippi River, including east bank crossings, and in Illinois; also, from lower lake ports to Atlantic ports on ex-lake grain; and from all points in the western district to all ports of export. Needless to say, such an investigation is far reaching in its effects, and of tremendous interest and importance to the carriers, markets, mills, and producers of grain in the territory.

In 1925, the congress of the United States passed a joint resolution, known as the Hoch-Smith Resolution, directing the Interstate Commerce Commission to take action relative to adjustments in the rate structure of common carriers subject to the I. C. C. Act. Among other things, this resolution states "that it is hereby declared to be the true policy in rate making to be pursued by the Interstate Commerce Commission in adjusting freight rates that the conditions which at any given time prevail in our several industries should be considered insofar as it is legally possible to do so, to the end that commodities may move freely." Furthermore, the commission was directed to make a thorough investigation of the rate structure of common carriers * * * to determine "to what extent and in what manner existing rates and charges may be unjust, unreasonable, unjustly discriminatory or unduly preferential * * *."

And then this interesting mandate is found in the concluding paragraph of the resolution: "In view of the existing depression in agriculture" the commission is directed to make "such lawful changes in the rate structure of the country as it will to promote the freedom of movement * * * of the products of agriculture affected by that depression * * * at the lowest possible lawful rates compatible with the maintenance of adequate transportation service * * *."

And that's an interesting and complicated bit of instructions. Just what the resolution might mean was violently debated by lawyers, traffic experts, economists, and others throughout the country. But it was a mandate of our Federal congress, and the letter and spirit of the law must be complied with, insofar as it was ascertainable.

I might say here that it was generally recognized by all those familiar with the freight rate structure of our country, many unjust, unreasonable, and unjustly discriminatory, rate situations existed, imposing undue burdens, or giving undue advantage as between various localities and parts of the country, and the various class of traffic. Like Topsy, our rate structure had just somehow "grown up." A special committee of the United States Chamber of Commerce, reporting on November 14, 1923, said:

"It cannot be claimed that the railroad freight rate structure of the United States has ever been organized on a scientific basis, or that it has ever been systematically revised with the purpose of eliminating disparities. The great economic changes incident to and resulting from the war have created additional disparities resulting from horizontal rate changes, from the dislocation of relative price levels and from increases in labor costs and terminal expenses which have borne with greater weight on some classes of traffic than others."

In April, 1922, the report of the joint commission of agricultural inquiry, house report, pp. 408, sixty-seventh congress, was in part as follows:

"The transportation rates on many commodities, more especially the products of agriculture, bear a disproportionate relation to the prices of such commodities; there should be immediate reductions in transportation rates applied to farm products and other basic commodities."

And President Coolidge in his message to congress, December 6, 1923, said:

"Competent authorities agree that an entire reorganization of the rate structure for freight is necessary. This should be ordered at once by congress."

So the overwhelming task of giving consideration to proper relationship of rates as between the various commodities, and various localities of the United States, together with the reasonableness of the rates involved was undertaken. Thirteen separate investi-

gations respecting the rates and conditions surrounding the movement of thirteen major commodities have been started.

In the grain case, hearings were held in every section of the western district, extending over a period of many, many months. Over 60,000 pages of transcript were taken in this one case. Thousands of complicated, complex exhibits were introduced, and thousands of pages of briefs were submitted.

For a period of three continuous weeks, argument was had before the entire membership of the I. C. C., and members of the cooperative state commissions committee. It was the longest argument ever made before the commission. Outstanding traffic counsel of the United States presented aggressively, and comprehensively conflicting views respecting the many major problems involved in this grain rate case. And so, the matter was finally submitted to the commission and its staff of experts for final answer.

Personally, I have reached the conclusion that it is a mistake to attempt to handle in one investigation, and order, a situation so ramified, and involving so many complications, each of tremendous importance to the parties involved. I am inclined to the view that it is humanly impossible for any group of men to intelligently answer, through the medium of one investigation, the many major and minor problems which arise in an action of this kind.

Problems of minor import, relatively speaking, but of tremendous importance to someone, are of necessity, shoved aside for the recognized major problems. The enormity of the task at hand, prevents proper consideration being given their presentation, argument thereon and review of briefs. I have the highest regard for the capacities of the men who comprise this important commission, and its personnel. But I think it is fair to say that this one investigation brought to the surface, for answer, not less than twenty major problems related to the rates and practices under which grain and its products moves. Each of these major problems was of sufficient importance to justify separate and independent consideration.

It should be here said that, prior to the entering of the commission order in this case, the Supreme Court of the United States, in what is known as the Deciduous Fruits Case, had held the Hoch-Smith Resolution as a meaningless effort on the part of congress and of no force and effect in building any rate structure. The I. C. C. very fortunately, I think, proceeded, however, to enter an order, based upon the record made in the comprehensive investigation and in accordance with the Transportation Act of 1920 which is presumed to permit, but not to guarantee, the carriers to earn 5.75 per cent on the fair value of the property devoted to transporting service, efficient and economical operation being required.

I would not weary you with a discussion of more than a few of the important questions to be determined.

Uniform Scale

One of the first questions to be answered was whether a uniform scale for the entire western district, i. e., everything west of the Mississippi river, but including Illinois, should be adopted. If not, what scales should be applied, and what grouping of states should be made. Quite naturally, each state was insistent that, if a uniform scale be not adopted, it be given at least as low a rate as any other state. The southwest states pointed to favorable climatic conditions, with no severe cold weather to hamper operation. The northern states boasted of their cold weather, and insisted that while floods washed away miles of road bed in the South, their roadway was frozen so solid, it couldn't be blown out with dynamite. Nebraska and Kansas pointed to a desirable, gradual down hill pull from west to east, and the mountain states, admitted an up hill pull but insisted that you always went down as far as up, and going down, all that was needed was brakes. I believe every state in the district was certain that it had the highest traffic density and produced traffic studies to prove it. The commission did not view with favor the uniform scale for the entire district, but established different scales for different groupings.

The Northern tier of states, particularly Montana and North Dakota, complained of Canadian competition, and pointed to the highly advantageous rate afforded Canadian wheat farmers, as compared with the farmers in their states. The handicap of the farmer in the United States is recognized. It is a difficult situation to meet. In I. & S. Docket 2469 the I. C. C. said:

"It is shown of record that the Dominion of Canada aided in the construction of the Canadian Pacific by giving that company \$25,000,000 in cash, 25,000,000 acres of land, certain completed lines of railroad, a monopoly in certain territory for 20 years and perpetual exemption from taxation by the dominion or any province established after 1881 * * * In 1924 the Great Northern with 8,251 miles of track paid more taxes than were paid that year by all the railroads in Canada having in excess of 40,000 miles of track. That carrier represents that if its taxes were reduced to the amount per mile paid by the Canadian roads, it could reduce every rate on every commodity its system 9 per cent and preserve its present net income.

While it was not possible to grant the Canadian

rate, no doubt all possible consideration was given in prescribing the rate level for this group of states.

Dual System of Rates

One of the most vital problems before the commission centered around the consideration which should be given the markets in building a rate structure. At the present time, a dual system of proportional rates with rate breaks on the primary markets, and overhead rates with transit balances from the markets exists. It seems apparent that a rate structure which provides for two different rates in the same commodity, between the same points, certainly involves confusion. Testimony, and argument, showed wide difference of opinion as to whether any consideration should be given the markets. Counsel for the different markets insisted that the structure must provide reasonable gathering, or inbound rates, to the market, and a schedule of proportional rates equalizing the different markets, that they might compete with each other for the farmer's grain, for movement beyond the first primary market. They pointed out that a rate structure which equalizes the different markets, makes for competition in the purchase of grain, and must result in a better price for the producer. Others insisted that there was sufficient competition within a primary market itself, to force payment of the highest possible price, and that a mileage scale, which naturally would leave each market in complete control of its trade territory, was most desirable. Respecting this, the commission finds "that the practice of contemporaneously charging both proportional rates and transit balances subjects the shipper under proportional rates to undue prejudice and disadvantage, and gives to the shipper under the lower transit balance an undue preference and advantage." The carriers, accordingly, are directed to provide a schedule of through rates on the basis of gathering rates to the primary markets and proportional rates beyond. Overhead through rates less than these combinations shall be cancelled. Personally, I feel that this manner of rate structure is of benefit to the farmer producer. Certainly there must be markets where a price for grain is constantly maintained. It must follow that the greater the competition for the farmer's grain, the greater his opportunity for as favorable a price to him as possible.

Furthermore, rates must be definite and certain, and the rate break system, providing a rate break on the primary market, with inbound gathering rates, to the primary market, and definite specific proportional rates outbound provides this definiteness. This manner of rate structure is predicated on the theory that primary markets are important and necessary. If this conclusion is in error, presumably a mileage scale should be adopted.

Transit Privileges

Another matter that received unusual attention, and concerning which there was a wide divergence of views had to do with so-called "free transit." Of course, there is no such thing as free transit. Somebody pays for the cost to the carriers of transit privileges. The problem centered around the question of whether the cost of transit should be based upon a separate charge for each transit afforded, as is now the case in certain states of the Northwest, or whether cost of transit should be buried in the basic rate, as is now the case in most of the states in the western district. There can be no question but that in many instances, and particularly in certain sections, violent abuse of transit, and back haul and circuitous routing privileges, exists. The milling industry insisted that a separate charge of 1½ to 2½ cents per cwt. for transit would mean ruination, in that mills in the East, at point of consumption, not paying this charge, would be too highly advantaged for western mills to exist. Furthermore, it was argued that millions of dollars had been invested in this great industry in the West, under a so-called free transit arrangement; that this capital had been honestly invested, and that an arbitrary change in the rate structure should not be permitted when it involved confiscation of property. Others insisted that no embarrassment would come to the industry as a result of the transit charge, and that it would mean an additional net revenue to the farmer per car of grain, equal to the amount of the transit charge, viz., \$15 to \$25 per car. Personally, I am confident that such a change would present immediate difficulties to the milling industry in the West; would deter further development of the industry in that part of the country where I think it belongs; and would gradually move the industry to the East. If this conclusion is correct, no advantage to the former would follow. First, he would be denied the privilege of doing business with his neighbor, close at home, and secondly, the additional revenue he realized in the first instance would be lost in freight rates involved in getting back home the offal-bran, shorts, and middlings which he must have for feed.

Members of the Interstate Commerce Commission were divided in their conclusions as to whether a separate charge for transit should be made. Those who favored making a separate charge, of course, contemplated a lower basic rate as a result thereof. The order provides:

"The carriers transit rules should provide for (A) a maximum of two free stops in transit (plus one

inspection of grain for storage, conditioning, and milling into its direct products, additional stops to be paid for at the rate of two cents per 100 pounds for each stop other than for inspection; (B) reasonable limitation of out-of-line and competitive routes and back hauls; and (C) elimination of little-used and obsolete transit provisions that serve mainly as a basis for unreasonable requests for transit and to bring censure upon transit tariffs generally. A stop at a primary market from which there are proportional rates will be viewed as any other transit stop.

"We find that present transit practices are unreasonable and unduly preferential and prejudicial to the extent they are not in harmony with the foregoing conclusions."

It is my understanding that there are few mixed feed products which do not carry other than direct products of grain. No doubt that provision in the order will be extremely embarrassing to certain manufacturers of mixed feeds who will, no doubt, discover that their territory is very definitely restricted. Personally, I am of the opinion that an industry which has been built up under a certain well-recognized rate structure, should not be violently disturbed financially by a sudden and arbitrary change in that structure, which might even spell financial ruin.

Relationship of Wheat and Coarse Grains

Another question of outstanding importance involved the relationship of the wheat rate to the rate on coarse grains. There are, of course, large corn producing states in the western district. Coarse grains now move at 90 per cent of the wheat rate. It is hard to justify from a transportation standpoint, a rate on coarse grains 10 per cent lower than on wheat. Coarse grains are a lighter loading commodity than wheat. However, it is true that they have a somewhat lower value than wheat. The commission had previously directed the 10 per cent reduction of coarse grains under wheat. In the order now entered the commission finds that "substantial justice can best be done to shippers of both wheat and coarse grains by one rate on both classes of traffic."

As a result of this action, Nebraska is the only important corn producing state in the western district which secures any substantial reduction in coarse grain rates. The coarse grain farmer in Iowa, Wisconsin, Minnesota, and Missouri receives very substantial increases in rates to their principal primary markets.

Time prevents me from discussing in detail the important problems involved in this most comprehensive investigation. I think you can readily understand the tremendous problem which confronted the Federal commission in connection with this matter and the unusual ramifications.

The order originally was to become effective October 1. On motion of the carriers, effective date of the order has been postponed until January 1. In the meantime, the carriers have signed a petition asking indefinite postponement of the effective date of the order, pending a reopening of the case and rehearing. Countless other individuals and industries also signed petitions asking for delay and reopening of the case with respect to certain of its phases. It is my understanding that the great majority of state railway and public utilities favor making the provisions of the commission's order effective at the earliest possible date.

Commissioner Woodlock, in his concurring report, estimated that the order involves, in the aggregate, a reduction to the carriers of the district affected, of \$15,000,000 per annum. While this is not a great sum for the entire western district it represents net reduction. Leveling rates for the district has resulted in many increases. However, in certain sections where marked discrimination has existed for a long period of time, very substantial reductions take place.

It is interesting to note the wide difference of opinion exhibited on the part of the members of the Interstate Commerce Commission, respecting the different problems. While all of the 11 members of the commission concur generally in the decision, a majority dissent—on different points.

In conclusion, gentlemen, I have attempted to confine in just a few moments of discussion, just a few of the interesting phases of the case. It is the most comprehensive and far-reaching investigation which has ever been conducted by the I. C. C., and out of this one investigation, without question will come literally hundreds of other petitions and complaints and other investigations. That leads me to the thought that somehow we have a real problem before us, as men interested in a freight rate structure and a prompt handling of our freight rate problem, a real problem before us under our present setup.

We have a Federal commission of 11 members who are completely buried with literally tens of thousands of investigations respecting matters of reparation and overcharges and undercharges and matters of tremendous importance. This investigation was started in 1925. Because of the enormity of the task and because of the fact that those 11 men were constantly confronted with thousands of other matters of minor and major importance, it has taken them years to get an order out.

It seems to me that serious consideration should

be given by all of us to the question of a proper procedure in reducing the burden of the I. C. C. in connection with its daily task. I feel that there are many major problems in this case that were deserving of separate and individual consideration, and I think there were countless minor problems of tremendous interest to somebody or of tremendous interest to what relatively speaking, was a little industry, that could not be properly considered in this action because of the tremendous importance of outstanding major problems.

I think this problem of getting action through our Federal commission, and I have the greatest respect in the world for the commission and its personnel, but I think this problem of somehow relieving them of a vast amount of detail that is now theirs, is a matter of serious interest to you and to me, as folks who are interested in the prompt handling of complaints and prompt attention being given the problem of the carrier, and industry, and the shipper.

I thank you for your very kind attention to a subject that I recognize is a tremendously dry one, in the main. (Applause.)

President Dow: Henry L. Goemann, chairman of the transportation committee, will now give his report.

Mr. Goemann: Mr. President and members of the Grain and Feed Dealers National Association: I have listened with great interest to Mr. Curtiss' discussion of the western grain rate case. I think if you all listened to it very carefully you will realize why your transportation committee has not covered this subject in its report.

We are a national organization, and we, therefore, cannot take sides with separate parts of our country on the subject of rate adjustments. We, therefore, could not go into a rate situation that affects one section of the country only and that is the reason why you will not find us making a report on this subject. It was the unanimous opinion of our committee that we should not discuss it in our report, and remain neutral.

I would like to further say that since my report was made up last week, I have taken exception to some of the practices that exist at the present time under the emergency drought relief measure, and of some of the field men of the car service division of the American Railway Association, (I would like to say, by the way, I am the chairman of the Richland County, Ohio, drought committee) so I was in constant close touch with this situation.

I believe that some of the statements that the field men made were not in line with the instructions and I insisted finally with the division manager of the Detroit office of the Great Lakes region advisory board, that he and Mr. Knutson, of the department at Washington, who was the contact man on the agricultural division, talk this over with me. I could not arrange to see them as early in the week as agreed upon, and it was only last Friday that Mr. Knutson was able to come to Mansfield, having been in the Southeast. I made mention in my report of some correspondence with Mr. Gormley, upon which I based my conclusions and advice. This will be in the report which I will read to you later. I asked him to put before his superior officer, M. J. Gormley, my report and to telegraph me here yesterday morning, his reply. I got a 150-word message from him yesterday morning which left me in as much of a quandry as I was in before, and which did not definitely answer what I wanted settled.

Yesterday afternoon I called at the western offices of this Middle West advisory board, but unfortunately found Mr. Beck out of the city. I took it up with the two gentlemen who handle details in this district, and they agreed to telephone Mr. Gormley this morning. They did so and I have a reply in writing. In consequence of this misunderstanding and difference of opinion, and not having Mr. Gormley's correspondence with me to report it in full, and in order not to be charged with being unfair as this telegram indicates, I shall delete from the report any mention of Mr. Gormley's correspondence.

I don't care to go into the details and into the written report of the telephone communication this morning. It does not really change my opinion of the violation of which I think a great many men who are receiving the permit system to bring in grain and feed and hay are guilty. They are liable to be caught when the checkup comes, for I know that many of these regional advisory boards have their field men making a very thorough check of the needs of every county that is in the drought area, and the man who thinks he is going to escape, may miss it.

Now, I don't know to what extent the railroads will overlook these things. When you make a request upon the carrier for an emergency rate and promise to do certain things and don't do it, you have made a statement that puts you under a rebate situation, and you are subject to fine, or imprisonment.

I am only calling attention to the dangers of emergency situation, as I see it, and I will further say that my committee has unanimously endorsed my report. Of course, I haven't had the chance to take up with them the matter of deleting any portion of it, but I am taking it upon myself as chairman to do that.

While on this subject, this thought occurs to me:

That the railroads say we are making this emergency rate to help the needy farmer, but all the regulations are under the Department of Agriculture and they have the right to decline giving permits they don't think are proper.

TRANSPORTATION COMMITTEE REPORT

THE report of the transportation committee will be somewhat brief this year owing to several subjects being before carriers committees, and not having been finally settled. I beg to report, however, that progress is being made and hope to get the subjects disposed of shortly.

The chairman has been quite busy answering letters of our members relating to the various transportation subjects arising during the regular course of business.

The transportation committee has been very much interested in the subject of liability of shippers using side tracks, which the National Industrial Traffic League has been handling for a number of years. After a close study of the insurance plan submitted and being satisfied that the particular policy which was passed on by the league's chief counsel would stand the test, we endorsed same and published in *Who is Who in Grain and Feed* in the issue of July 20, 1930, an article covering the subject.

Effective August 1, 1930, owing to change in the Interstate Commerce Act, the uniform domestic bill of lading has been amended to provide a time limit of nine (instead of six) months for the filing of claims for loss, damage, injury or delay.

This does not change the time of three years for filing claims for straight overcharge in freight rates.

In compliance with the resolution passed at our last annual meeting, held at Peoria, requesting that the transportation committee work in harmony with the Federal Farm Board on transportation matters, I beg to report that the Grain Stabilization Corporation, through its traffic representative, J. J. Schimmel, has supported us in a case before the general committee of the Central Freight Association and will no doubt go along with us in the future when the subjects are of mutual benefit.

Referring to the regulations concerning railroad emergency relief for drought stricken areas, I would like to say a few words on this subject so that the dealers who are in the drought stricken areas handling grain, feed, etc., for the needy farmers do not violate the interstate commerce law.

First, the railroads must publish the counties in the various states to which the emergency rates apply, then a reduction of one-third of the current local rates applied from and to western trunk line points and one-half of the current local rate from and to points in central freight and southern territory, then the dealer must get a permit from his county agent who will issue same on the railroads certifying the dealer is entitled to the reduced rate after such dealer has sworn to a statement which reads as follows:

UNITED STATES DEPARTMENT OF
AGRICULTURE
Office of County Agent
Court House
Mansfield, Ohio

DEALERS' AGREEMENT

I hereby swear (affirm) that all hay and feed on which I have requested or will request an official certificate for special reduced freight rates will be sold directly to the farmer-consumer in the certified drought area, that the purchasing farmers will receive the full benefit of the reduced rate in the purchase price, and that I shall be willing to furnish proof of same upon request.

Further none of this feed will be sold to others than needy farmer-consumers in the certified drought counties.

Name
Firm
Address
Date

Sworn to before me and subscribed to in my presence this day of 1930.

My commission expires Notary Public.

The Department of Agriculture through whom the requests are made upon the carriers, says the emergency rates apply to needy farmers only and describes the needy farmer in item No. 20 in supplements No. 11 to their regulations concerning drought relief as follows:

"A 'needy farmer' is a farmer-consumer dependent in the main upon the farm for his livelihood, whose income has been materially reduced and whose ability to pay has been lessened thereby on account of the drought. Farmers whose ability to pay is not reduced by the drought, such as race horse owners, farm hotels for horses, state and county institutions, colleges or universities, mining companies and manufacturers or other industries, do not come within the term 'needy farmer.' Where any difficulty is experienced in the issuance of applications it is suggested that the case be referred to the county or state drought committees.

"In issuing certificates to feed dealers, in accordance with item 1 and 7 of the regulations concerning railroad emergency relief for drought-stricken areas, issued September 3, and also instructions, item 1 of Pages 6 and 7 of same regulations, it is suggested that where a county agent has reason to believe either that the savings are not being passed on to the

needy farmer-consumer, or, that the dealers entitled to emergency reduced rate certificates on behalf of needy farmer-consumers are charging exorbitant prices or speculating, the county agent shall not grant reduced railroad rate certificates to them."

The question has arisen whether the dealer can bring in a carload of feed or grain and sell it out to farmers who might not be classed as needy although living in the described drought area, such as, large dairy farmers or so-called gentlemen farmers having large acreage. I have answered that and other inquiries that the dealer should keep a record of each sale with price and to whom sold and in my judgment he cannot sell any part of a car handled under emergency reduced rate to a non-needy farmer at either a higher price or on the basis of emergency cost. Answering the question if the market advanced sharply could the dealer advance his price on any part of that car, I answered that I did not think he could, but had to sell the entire car on the basis of purchase price.

Any one of these questions brings up the point of possible violation of the Interstate Commerce Act owing to securing a reduced rate under a false statement under oath and be subject to a fine.

Referring to my report of last year as to elimina-

house joint resolutions, and 19 senate joint resolutions.

Few of these bills were passed and those that ran the gauntlet and became laws were not of a nature to cause alarm to the trade. For the most part they were measures aimed at the alleviation of certain phases of farm distress, and all such measures, when sound in character, are heartily endorsed by the association.

Of course, the one bill that has caused consternation in the grain and feed trades is the Agricultural Marketing Act, but this measure was passed at the special session of the seventy-first Congress and was in effect at our last annual meeting.

I shall not dwell on this act because it will be discussed fully and ably at this convention. In addition, it would be difficult to say anything new about the measure after the unlimited space that has been given it in the trade press, the daily newspapers and the magazines. Suffice it to say that the members of the committee on legislation are in accord with most of the strictures and criticisms that have been leveled at the bill. We believe that it was inspired by political motives alone, and that it is unsound, ill-advised, ill digested and of no value to the farmers to whom it was intended to bring relief. Further, we believe that it is a dangerous experiment for a republican government to take, especially in these times when the whole democratic system seems to be giving ground in Europe to dictatorships and socialistic commonwealths.

Conditions Different in Europe

We feel that the failure of democracy in Europe should have no repercussions in the United States which has been a self-governing nation for more than 150 years. Conditions here and in Europe are entirely different. Where democracy has failed in Europe it has been due, not to inherent defects in democracy itself, but to local conditions. Civilizations that have existed under monarchial and in some cases absolute forms for hundreds of years cannot be expected to make an immediate success of democracy which is the most difficult of all forms of government to administer successfully. An enlightened, independent citizenship is necessary if the democratic form of government is to succeed.

This brief digression on government in general is made for the purpose of pointing out the unwisdom and political danger inherent in such acts as the Agricultural Marketing Act which is the most socialistic measure ever passed by congress. One would think upon reading it that it was intended for European and not American conditions. It has no place in the American theory of government. If private initiative is to be preserved, and if the door of opportunity is to be kept open to all men to pursue legitimate callings without interference from their own government, the Agricultural Marketing Act should be repealed. Its only excuse for existence is to raise the prices the farmer gets for his products, and it is now plain to all men that the act, instead of increasing these prices, is lowering them and bringing chaos to farmer and grain dealer alike.

The Strong Bill

Of the many bills introduced in the house during the second session of the seventy-first congress one was of especial interest to the association and your committee. This was H.R. 5634, introduced by Representative Strong, of Kansas, "to provide that transferors for collection of negotiable instruments shall be preferred creditors of national banks in certain cases."

The purpose of this bill is to protect shippers who send drafts to distant banks for collection, so that their claims shall be preferred ones should such drafts be found by receivers in insolvent banks.

Many grain dealers have had their drafts caught in insolvent national banks, receivers taking charge of the affairs of the defunct institutions before the banks could remit the proceeds of the drafts to the rightful owners. We contend that banks handling such paper act merely as collection agencies, and that shippers in such cases should not be placed on the same level with ordinary bank depositors.

The Grain and Feed Dealers National Association has been endeavoring to secure action on the Strong Bill for several years, but the house committee on banking and currency refused to give a hearing to the proponents of the measure until May 16 last. On that day the friends of the bill appeared in Washington and told the members of the committee the troubles the business men had with failed national bank when receivers of these institutions took the proceeds of drafts sent for collection and comingled them with the regular funds of the bank.

The millers of the country, and a number of shipping organizations sent representatives to the hearing before the house committee. The chairman of your committee on legislation was present and filed a brief in which I objected to the position taken by the comptroller of the currency who urged that the bill be not reported out by the house committee on banking and currency. The comptroller, representing the Government, took the position that the Strong Bill "would create a preference from the mere fact of collection of the proceeds, regardless of whether or not such proceeds were afterwards traceable to the hands of the receiver." The comptroller says that "this is clearly unjust to the general creditors. The

assets of the general creditors should not be taken for the purpose of preferring a creditor whose property is not included within such general assets."

It was asserted by the comptroller that out of the proceeds available for distribution in the amount of \$25,215,113 to pay the creditors of 103 receiverships of insolvent national banks liquidated during the fiscal year ending October 31, 1929, \$12,561,313 went to preferred and secured creditors and \$12,653,830 to unsecured creditors.

This argument that already one-half of the money disbursed to creditors of insolvent national banks went to secured creditors doubtless had considerable effect on the members of the house banking and currency committee because they refused to report out the Strong Bill by a vote of seven to six.

Your committee on legislation felt greatly disappointed over the result of the hearing. A great deal of time and labor was put on the Strong Bill which has been pigeon-holed by the house committee. However, we have not given up hope but feel that the inherent justice of our cause will finally triumph. We are as strong in our faith in the equity of the bill as ever notwithstanding the position taken by the comptroller of the currency.

In the meantime members of the association may secure insurance against loss from their drafts sent to distant banks for collection. Several insurance actuaries are at present at work and in a short time a number of companies will be prepared to insure such drafts at a small premium.

Several of the 116 bills and resolutions introduced in the present congress are to amend the Federal Farm Loan Act. Some of the others are: To "suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities in interstate and foreign commerce"; to "authorize the Secretary of Agriculture to acquire and disseminate information relative to protein in wheat"; to transfer the administration of the affairs of Federal intermediate credit banks to the Federal Farm Board; to amend the Agricultural Marketing Act so as to provide for the making of loans for reforestation, naval



HENRY L. GOEMANN

tion of the 60,000 capacity box cars, I wrote M. J. Gormley, of the Car Service Division of the American Railway Association, regarding ownership of boxcars by capacities for this year and he replied enclosing copy of statement compiled from the May, 1930, Quarterly Equipment Register, published by the railway Equipment Register covering ownership of box cars of class 1 railroads by capacities.

His report shows 160,494 box cars of 60,000 capacity and under; 146 cars of 65,000 capacity; 7,808 cars of 70,000 capacity; 76 cars of 75,000 capacity; 591,380 cars of 80,000 capacity; 6,194 cars of 85,000 capacity; four cars of 90,000 capacity; 248,139 of 100,000 capacity; 36,102 cars of 110,000 capacity; 5 cars of 140,000 capacity, making a total of 1,050,348 cars. Last year the carriers had about 278,000 boxcars while this year the figures show 164,494 cars and which includes 13 cars of 30,000 capacity; 116 cars of 40,000 capacity; 5,099 cars of 50,000 capacity, which shows a reduction of 117,506 cars of capacity of cars of 60,000 pounds or less.

In view of the carriers having now on hand 5,228 cars of 50,000 capacity it will not be many years when the minimum on grain will no doubt be placed at 80,000 capacity.

Taking the above statement where I give you the detailed cars of all capacities I doubt very much whether we will be able to maintain any minimum as low as 60,000-pound cars, when these cars are being so rapidly reduced; what we will soon be faced with is the question of 80,000-pound capacity minimum.

President Dow: Mr. King will report for the legislative committee.

REPORT OF THE COMMITTEE ON LEGISLATION

DURING the last year there were many bills introduced in congress relating to agriculture and most of these were of interest to members of the association because of their intimate connection with the handling of farm products.

To be specific 116 such bills found their way into the national legislative hopper. Of this large number 27 were senate bills, 60 were house bills, 10 were



JAMES L. KING

stores and peaches"; to aid farmers in making regional readjustments in agricultural production to assist in preventing undesirable surpluses;" to "authorize the Secretary of Agriculture to experiment in the sale of foods and food products of the farm directly from producer to consumer".

This last named bill was introduced by Congressman Lankford, of Georgia, and is no doubt the result of the passage of the socialistic Agricultural Marketing Act which, in principle, puts the Government directly in business.

One of the other bills of direct interest to the grain trade was introduced on April 15 by Congressman Dickinson, of Iowa. The purpose of this measure is to amend the Grain Futures Act. The bill would hamper and restrict the operations of the futures market to such an extent as to destroy it. It would give the Secretary of Agriculture absolute control over the grain markets that deal in futures and confine futures trading to so-called legitimate hedging. The bill is in reality the Caraway Bill which was defeated in the last session. Senator Caraway introduced the same measure in the senate. Another bill of interest to agriculture and indirectly to the members of the association is a measure to provide for research work in connection with the utilization of agricultural products other than forest products, and still another bill has for its object the creation of a farmers and consumers financing corporation for the purchase and sale of farm products.

Notwithstanding the passage of the Agricultural Marketing Act several bills were introduced in the house and senate to "establish a farm surplus board,

to aid in the orderly marketing, control of production, economic transportation and disposition of surplus farm products."

In the senate a bill was introduced to "authorize and direct the Secretary of Agriculture to investigate all phases of crop insurance." This bill was introduced by Senator McNary, chairman of the senate committee on agriculture and forestry. Senator McNary also introduced a bill to amend several sections of the United States Warehouse Act. Senator Heflin had a bill to "prohibit predictions with respect to cotton or grain prices" by the Government.

Some of the house and senate joint resolutions are interesting and some somewhat amusing. One of the house joint resolutions authorizes the President to call an international conference of agricultural and farmers' organizations, while another would "authorize an investigation of the decline in the price of wheat." Most of the other resolutions concerned cotton and some directed the Interstate Commerce Commission to take action to adjust freight rates upon export grain and grain products.

As has been stated in this report, few of the bills introduced were passed and those that did reach the statute books were of no particular interest to members of the association aside from the natural interest that attaches to all measures that have for their object the betterment of agriculture.

Mr. King: Mr. President, in addition to this formal report, I would like to add one word from my observation of the marketing act, having followed it from the beginning. We counseled against it, labored against it, before its enactment into law. We have tried to work under it, and labor under it, and we know that it has not been useful or effective. We know that it has undermined business, that it has been a disturbing factor, and it seems to me that the time has arrived when this association should take definite action, looking in a legal way to find out whether or not this law is constitutional, and the Grain and Feed Dealers National Association is the organization to put that forward, so far as the grain trade is concerned, and it seems to me that now is the time to act. (Applause.)

President Dow: S. P. Mason, chairman of the trade rules committee, Sioux City, Iowa, will present his report. (Applause.)

S. P. Mason: Gentlemen of the convention: May I digress for just a moment?

In respect to the responsibility of the shipper in shipping to drought district, I think it should be very clear, and the grain trade should understand it, in shipping to the drought district, if they ship to someone and he does not pay the freight, the shipper would be responsible to the railroads for that freight, irrespective to the rate itself.

Mr. Goemann: In that case he couldn't get the benefit of the emergency rate.

Mr. Mason: I may say, as chairman of the rules committee, I have had to answer some questions on this drought relief situation, and I have suggested to those who are not in close touch with it, that in selling to the drought region, they sell on the regular full rates, the rate that is in effect regularly, and tell the man they are selling that if he is entitled to the drought rate you will ship per his directions on a permit, and he can get the direct rate, but you assume no responsibility, that you as a grain or feed shipper, do not want to have any advantage or any relief from the lowered rate; that you will sell at delivered price on the old rate, allowing the full freight on the tariffs and he gets anything he is entitled to, and in that way you would assume no responsibility.

REPORT OF THE TRADE RULES COMMITTEE

THE report of your chairman will be brief, and at the close of my remarks, the meeting will be opened for suggestions from the members for new rules or changes in our present rules.

I have been chairman of the rules committee for a number of years and it is very noticeable that suggestions for changes and inquiries for interpretation are becoming fewer each year. It is obvious that this may be because my opinions are not of value, but I prefer to believe that it is because of a constantly increasing understanding of the mutual obligations and customs over different sections of the country and through the Grain and Feed Dealers National Association a uniform and fair interpretation of rules and customs.

No changes have been made in the rules the past three years. Suggestions have been made, changes have been discussed, but our present rules amply cover the broad principles of trading, and the association has properly not attempted to make rules for localities or to incorporate technical, long winded rules to cover remote emergencies.

It was my intention to suggest two minor additions to our rules this year, but after consideration of the intent and realizing the actual probable results to Rules 292-A and 282-A, recently adopted by our Chicago friends, I have decided not to present any changes.

This feeling is largely increased by our deep opinion that our time this year may be better devoted to

our larger problems, and suggesting changes would seem to me similar to a family discussing table morals when the foundation of their house was being undermined.

After we are informed whether we will be permitted to remain in business, we may again strive, through our rules, as we always have in the past, to improve and promote the interests of the producer, the merchant and the public.

When I hear of farm board activities, I am reminded of the husband in the story:—

"Hubby—It seems to me, dear, there is something wrong with this soup."

"Wifey—You are always complaining, but this time you're wrong. The cook book says it is perfectly delicious."

The meeting is now open for motions or suggestions, and I will first mention the only suggestions I have received this year, one of which the committee decided was not of sufficient importance to recommend, and on the other, difference in customs makes it difficult to frame an equitable rule covering all sections of the country.

When sales are made basis shipper's grades, and both buyer and seller understand the grain will be shipped from a point where there is no inspection, to a point where there is no inspection, and the buyer thereafter, for his own convenience, orders the grain shipped to a terminal market where it must be inspected; that by so doing he should assume all risk as to the grade, providing the quality is such that if it had been shipped as originally intended, there would have been no discount.

The other is the question of the date of diversion, or original shipping point, governing time of shipment.

The rules committee has been unable to formulate a rule that would be applicable to all cases.

Our suggestion is to publish in *Who Is Who* a digest of the argument pro and con, and interested parties may formulate a rule for adoption at the next convention.

Are there other motions or suggestions?

Mr. Goemann: I think in the Feed and Grain Trades Act, there is this clause: That the receiver can ap-



B. E. CLEMENT, A. H. HANKERSON, H. J. BALDWIN, AND FRED HORNER AT BOARD OF TRADE

peal to the supervisor of his district and have the inspection made before it leaves his place.

Mr. Mason: You are perfectly correct as far as the grade is concerned. What you must differentiate between is the contract between dealers. A dealer makes a contract to ship from one country point to another. He so ships it that it is neither graded at original point or at destination. If it is afterwards graded by the Federal grade; if your contract is filled, Federal grade does not govern.

Mr. Goemann: You can not ship from terminal market a grain without inspection, but you can ship from country point as No. 3 Yellow, subject to this appeal at destination. A lot of eastern markets have been trying to get a regulation under transit to stop these cars en route and get their grades upon it. I don't think they have succeeded very much. I have been unable to get either the Agricultural Department or the markets themselves to tell me what progress they have made. I don't think they have made any progress, but you see there is a tremendous difference there. No one can sell grain on grade unless it is inspected. But at the country point, if the buyer is willing to accept at a proper grade that settles the contract, but if he does not want it, he must appeal and have the field inspector of his district inspect it where it is.

Mr. Mason: This rule was only intended to apply when grain was shipped from one country point, and afterwards forwarded.

Mr. Goemann: That is the rule under those country shipments, and when you do change it, this shipper assumes the risk that the condition is the same, but they might not be the same as in corn.

Mr. Mason: It has never been in our rules.

Mr. Goemann: No, but I am speaking of the rules that apply under the Government rating that must be a part of the contract. Unless you can stop this, which those in the East have been trying to do for a number of years, and have not accomplished, because of the disadvantages of the carriers, stopping

at these points, and the reconsigning of the car, and at quite an expense and delay, it puts up that condition, but the buyer must go in accordance with the rule that permits this country shipper, we will say, at Fowler, Ind., who has no inspection, to sell it to a fellow in Butler, Ohio, as No. 3 Yellow corn. He is the only person who can do it, but it is with this understanding in the rules of the inspection department, if he does not inspect it, and goes back on the grade, then he must ask for the appeal of the inspector on that district; in that case it would be Toledo, Ohio.

I don't see under the contract to buy this country grain that he can get away from that intent. That is not our rule, but the rule of the Department of Agriculture.

Mr. Mason: I don't think at this time, with the light attendance we have that we should go into it.

The question that brought up this suggestion, Mr. Goemann, was good yellow corn, no grade whatever, was sold.

Mr. Goemann: That is entirely different.

Mr. Mason: The man at destination forwarded to inspection market and claimed the inspection was not good, and the rule has been suggested that if it was grain that would have applied originally, that the grade at destination would not change that. But there are not sufficient here nor have we sufficient time to carry it on.

Mr. Goemann: But if I understood your statement, you said grade. There is no grade named. Anything might be good yellow corn, and you would have nothing to prove it.

Mr. Mason: The other question is the date of diversion, or original shipping point, governing time of shipment.

There are no rules in the Grain and Feed Dealers National Association covering the point. We have avoided making the rule because the custom varies in different parts of the country. In New England, the shipment is the original date of shipment, and on the West Coast, where diversion is made from Spokane or Salt Lake City, the original date of shipment governs; in the Middle West it has been decided that the date of diversion governs the time, although in a recent decision, in Decatur and St. Louis, they made the original country shipment govern.

The question is really active, but we have been unable to formulate a rule that would cover equally all cases and all sections of the country. It was our purpose as a rules committee to publish in *Who Is Who* a digest of the argument pro and con, for adoption at the next convention. I will be glad to give Mr. Quinn some of the letters I have received.

Are there any other motions or suggestions for the rules committee? If there are none, I will make a brief report of a special committee appointed at the last convention on uniformity of Grain and Feed Dealers National Association rules with terminal market rules.

REPORT OF SPECIAL COMMITTEE ON UNIFORMITY OF GRAIN AND FEED DEALERS NATIONAL ASSOCIATION RULES WITH TERMINAL MARKET RULES

THIS committee has had meetings with other markets, made suggestions and arrived simply nowhere, and I am taking the liberty of changing my report to a proselytizing speech.

Our rules have been, and are increasingly recognized, as fair and equitable. More and more trades each year are based on them and if you believe in them, make your trades on our rules. Insist that others trade on them. If anyone you trade with is not a member, send him a blank and get his signature on the dotted line, and in a short time you will have no worry as to his rules. The quickest way, and apparently the only possible way, to secure uniformity is to have every member in a market trading on our rules and he will have a personal interest in seeing that his own are made uniform or that ours are changed if improvements suggest themselves.

President Dow: Thank you, Mr. Mason.

Lester Stone, chairman of the membership committee, is not present, but has submitted his report to the secretary, and with your approval it will be published in our regular proceedings.

REPORT OF THE MEMBERSHIP COMMITTEE

OUR membership committee has served during the year past with a full realization of the importance of this work. When the loss of old members is definite and constant, as it has always been, the very life of the association depends on securing new members.

Through the untiring efforts of Secretary Quinn, and his boosters, the annual campaign for new members has never failed. We believe that the work done this year is probably the best that we have ever seen. When we consider the political and financial condition, the campaign stands out as a real

achievement. We have no recommendations to make for the improvement of the present method of securing new members. A clear, persistent presentation of the benefits to be derived from membership in the Grain & Feed Dealers National Association will win most any prospect.

We wish to express our appreciation of the work done by Secretary Quinn and his boosters and we pledge our loyal support for the campaign next year.

Mr. Edwards, chairman of the Committee on Rejected Applications, states that he has no report to make. So we have reached the end of our program, and I believe a motion to adjourn is in order. (Motion made to adjourn by Mr. Goemann.)

Adjournment.

Wednesday Morning Session

THE final meeting convened at 10 o'clock, October 15, President Dow presiding.

President Dow: We will open our program this morning with an address on "Problems Confronting the Feed Trade," by D. W. McMillen, president of the American Feed Manufacturers' Association.

ADDRESS OF D. W. McMILLEN

MIXED feeds have been manufactured in this country for a great many years, but the manufacture of real balanced rations as carried on today is somewhat of a new business because it has developed very fast in the last few years.

The United States Department of Agriculture, one of the leading scientific forces in the world for better and more economical methods on the farm, in conjunction with our agricultural colleges, have greatly stimulated the growth of the animal industry in this country, and the development of mixed feeds.

Feed manufacturers have need of real scientists in their organizations today. Feeds must be built to suit the conditions of the community into which they are shipped. In territories where little grain is produced, complete balance of ration for dairy cows and poultry is required; where grain is produced, a supplement, largely of concentrates, is required. In other territories where there is an abundance of concentrates, it is very necessary that other grains, carbohydrates and so on, supplant them, and take their place.

I had in mind to tell you a great deal about the feed business that some of you might not know, but I hardly think it is necessary, because I think most of you who are present know something about the development of the mixed feed industry.

There possibly are few of you, however, who know what the attitude of the agricultural colleges and various other forces think of the feed manufacturing industry today in comparison to what they thought of it 5 or 10 years ago.

When I was a boy, my father was interested solely in the country grain elevator business. Times have been hard before in the grain business. I remember in 1893 that we purchased thousands and thousands of bushels of corn at 18 cents a hundred.

The grain business has undergone a great many changes during these years, and the feed business, of course, has undergone much greater change. During those times such a thing as a mixed feed or a balanced ration for production of milk or eggs was almost wholly unknown. Little of it was known in any agricultural institution. Little was said about it, and no dreams of the future seemed to be in existence. During those earlier days in the grain business, the grain man handled feeds, flour; the feeds that he handled were mill feeds and sometimes some few concentrates. The feed business, not a great many years ago, was criticized very severely by the agricultural colleges. They stated that they could procure or produce a formula with which the man on the farm could mix his own feeds by buying the raw materials and the ingredients that were necessary, and that is what he should do. A great amount of money was spent in this sort of thing, and the feed manufacturer thought that his cause was almost a lost cause.

During the past few years, however, in the various commercial organizations of this country, college men, nutrition experts, have come into these organizations and an entirely different situation has developed and a different feeling now exists.

Dr. Morrison, possibly the dean of animal husbandry in this country, said that as little as five years ago he had stated to the milk producers of his state that they should take certain formulas and buy their raw ingredients and mix their own feed, but that when he made a survey he found that such a small per cent were doing it, and those who were doing it were not doing it right, that he was amazed. He went further and stated that today, with the scientific research which is being done by the large feed manufacturers in conjunction with the agricultural colleges, that if the balanced ration which is made and shipped into the state which he now represents, New York, were taken away from the farmers for a six-

months' period, that the New York milk shed could not supply enough milk to supply New York City.

That is a pretty broad statement for a man who believed that the economical thing to do was to mix it on the farm. He said it was necessary for the ingredients to be put into a bag and given to the farmer, instead of giving him a piece of paper and expecting him to execute what he was told to do.

Now, I will quote definitely what Dr. Morrison said, because I asked him to quote it afterwards, because I wanted to use it at this time: "The mixed feed manufacturers are rendering a real service to the livestock industry. On account of the magnitude of the operation of the large and efficient manufacturers, they are able to reduce milling costs to a minimum, and also they are able to secure excellent scientific advice in planning the formulas for their various feeds, so as to produce efficient results in livestock farming. The extension work of many feed companies has been an important aid in convincing farmers of the advantages from well-balanced rations."

I might go further and explain the position where your interest as grain men and the interests of the feed manufacturers are common—it is not necessary. I want only to say one more thing to you: That before your meeting closes, I hope that you will not fail to give authority to your board of directors to take such action as they see fit for your association in regard to case No. 17000, which is before the Interstate Commerce Commission. I know that it is of vast interest to the farmer in the West who is producing grain, and to the man in the East who is buying the products of that grain. It is a great economic question. We feel certain and know in our own minds that it will be given most careful consideration by the Interstate Commerce Commission. We believe that the case will be open so far as transit

fellow they have sold to as well as themselves. I couldn't sell anything to anybody any place or any time. And did you ever see such weather?"

After a while Dusty said, "Brother, I was only kidding. Business isn't so bad with me. It has been good so many times that if it was bad, I wouldn't care. Conditions possibly are not as good as they should be, but I have seen times that they were better than they need be, and on the average I have always aimed to get along pretty good. I wouldn't want to go back to the good old times. These are the best times in the world with their ups and down, and I never thought about the weather."

"As for me, Dusty Miller, this is the best day in my life. Yesterday is gone and tomorrow may never come and if it should happen once more than I wake up tomorrow morning, and it is a bright day and I find myself well and strong, I will say once more, as for me, Dusty Miller, thank God for another day; as for me, this is the best day of my life."

And I am not so sure that if everybody in this country would say to themselves that they only have one day left at a time and it is for them that this day is going to be the best day of their life, if this depression that we have now would not last very long, and I presume that is what we need.

As president of the American Feed Manufacturers Association, gentlemen, I wish for each of you, and for your organization, that each day until we meet again in another year, may be the best day of your life. (Applause.)

President Dow: Thank you, Mr. McMillen.

The St. Louis market maintains a mill feed features department, and before having our next scheduled address, I am going to ask C. B. Rader, secretary of the St. Louis Merchants Exchange, to make a few remarks on mill feed futures. (Applause.)

C. B. Rader: The St. Louis feed futures market is no longer an experiment, or an innovation, but it has proven an addition to the mill feed trade, and I am going to tell you a few things perhaps that you don't know about the mill feed futures market, because it is not generally known throughout the country just what it is. The rules are not known by most of the people throughout the country, and some of the habits and customs that pertain to that market.

The necessity of such a market was apparent for years, and last year a few men in St. Louis got together and thought we could do something along those lines. We had nothing to start from. We had no precedent, but we appointed a committee and sat down and worked out some rules. They were submitted to various groups of our members, and some of our own people protested strongly against going into this activity, particularly our millers, because they didn't know anything about it. They were skeptics, but we finally convinced them that we had something. We went out and voted it over.

These same millers and feed manufacturers who were against this thing at the start are now the biggest users of the St. Louis mill feed futures market.

The Millers National Federation sent a committee to St. Louis to investigate the mill feed futures market. Why? Because they were being asked by members from time to time what is this thing, what good does it do? Let's find out. All we hear is from the St. Louis people, that it is a good thing. Let's get a disinterested opinion on this thing. So they sent a committee of five or six men. They spent a day in St. Louis, and in the next issue of their house organ they gave us a clean bill of health and made recommendations to us and to their members. One of the recommendations was to talk to groups of people just like you, and mill feed manufacturers, because they recognize that the buying end must be built up as well as the selling end, and of course, so do we.

The millers have been very much interested in this market. We have received inquiry from Europe; we have received inquiry from practically every state. Now, why is that being done? Because one man uses it and finds it a good help to him. He tells another; but he can't give the details of this thing, so they write to us.

This is a price insurance market. It is a hedging market; however, we provide for the delivery the same as the contracts. There isn't much difference in this and the wheat contracts. Delivery can be made as is done in the wheat contracts, and there is about 10 per cent of the volume traded in delivered. It provides a place where the mill feed man can come in and buy his supplies six months in advance, or likewise he can sell his manufactured feed by hedging, by selling bran shorts in the pit. It permits him to sell in advance, which he was never able to do before with the assurance he would be able to get the commodities to make his feeds. We trade in six months options, six months ahead.

The round lot trade is 100 tons. We also provide for job lots of 25 tons. The commission charge is \$20 a round trade per 100 tons, or 20 cents per ton in job lots of 25 or multiples of 25.

Now, one of the hardest things for our committee to work out was what will be the definition of these mill feeds. What shall we adopt? We took it up with a Federal department. We found there were no Government standards on feeds. We took it up with the state departments and found the same thing, so



D. W. McMILLEN

we turned to commercial users, and adopted their standards developed by the association of feed control officials.

When deliveries are made on these contracts, the sample is taken out of these cars and inspected by the inspector of the St. Louis Merchants Exchange. He places the grade thereon. For instance, in bran, cool, sound and sweet, is the definition set up by the feed control officials. If the shipper is not satisfied with that grade, he has the right of appeal to the committee composed of a miller, feed manufacturer, etc., five men, to determine whether or not the inspector is correct. In some cases he has been reversed, but in very few cases.

Now, this contract, gentlemen, is a big help to the mill feed people. It has been found so by the millers of the country, because it provides something that has never been known before in the industry. In other words, you now have a perfect hedge: Buy your wheat and sell your feeds.

We find that the millers of the country are beginning to sit up and take notice. They are coming in and asking questions. They are using the market



C. B. RADER

from time to time. The volume is increasing, the liquidity of the market is increasing. We want to co-operate with you folks. We want you to write to your St. Louis correspondents and find out just what this is. One magazine expressed it, that it is the best thing that has hit the trade in years.

Now, we can't put this over alone. We must have volume. We must have the support of organizations of this kind, and we want to help you. We want your co-operation in this matter. We believe you will give it to us. I have been given just 10 minutes to make this little talk, and that time is about up, but I want to say to you, we are willing to co-operate. We want to do everything we can to further this market for your benefit, and when I say co-operation I mean it in this sense. You know there are two kinds of co-operation, a dignified acquiescence and hearty co-operation, and that is typified by, when you were young you would go to a dance, and after the dance take a girl out on the balcony and attempt to kiss her. She would let you, with dignified acquiescence. Then there was the other girl that would snuggle up. That is the kind of co-operation I mean. (Applause.)

Mr. MacDonald: There have been a couple of things said at this convention that may make it worth while for us who have taken the time and dug up the money to come: Last night, particularly, Mr. Woodruff's speech on "ups and downs". He called attention to many things that we had forgotten, or at least overlooked, that this is not the worst period of business that this country has ever known. There have been many times in the last quarter of a century where things have been infinitely worse and we have come through and gotten better. (Mr. Woodruff's address begins on Page 231.)

Mr. McMillen has given us a mighty good thing in this Dusty Miller story. There is too much bad psychology around the world today, and everything has to make a start, and we might as well make a start ourselves. I don't believe it is a matter for the resolutions committee because they will probably be occupied in farm board activities, but can't we resolve here that we will start this ball rolling, start to change this psychology, to talk things up instead of down. I hope you will. (Applause)

President Dow: We are all interested in the weather

maps. C. A. Donnel, chief meteorologist of the weather bureau in the Chicago area will talk to us on "How to Read the Weather Map." (Applause)

ADDRESS OF C. A. DONNEL

I TRUST that none of you have come here under misapprehensions, that is to say, believing we are going to tell here how to forecast the weather. You haven't come here, I feel certain, thinking that you will be able to go out and look at a map at any time and make an accurate forecast. That is a place no one has attained yet, and probably never will. It is a long and difficult road to attain anything like perfection in making weather forecasts.

Now, primarily a weather map is made for forecasting. It is made, of course, in manuscript form, but on account of the wide interest in the matter it is given wide publicity and circulation through being printed.

The basis of a weather map is the simultaneous observation of the weather over a wide area. Observations are taken in the United States and in Canada, two times a day, namely, at 7 a. m. and 7 p. m., central standard time. An observation of the weather consists of reading the barometer, noting the temperatures of various kinds, high and low, current, and wet bulb temperatures—I can't go into all those details. We note the wind direction and its velocity; we measure the rain or snow, if any has fallen, note the sky with reference to its cloud. Ten different types of cloud formation are noted. We note direction of movements, whether they are moving fast or slow. All these elements go to make up a weather report. If we could have a birds' eye view of North America, you would see in the United States and in Canada, about 250 men, (I think perhaps there are two or three women) engaged in making these observations every morning and every evening, 12 hours apart.

Now, these observations to be used in forecasting are of no value unless they can be assembled rapidly in the forecast centers for mapping and study. We have a very elaborate system in connection with concentrating these reports. The Western Union co-operates to a very fine degree indeed. So at the forecast centers these reports are received in from 30 to 45 minutes after the observations have been taken. In other words, at the Chicago forecast center, which is the forecast center of the weather bureau for the north central states, we have here in this office every morning by 7:30, 80 per cent of these reports which have been taken about 45 minutes previously.

These reports are sent in coded form. There is no purpose in secrecy there. It is simply to save the taxpayers some money. I am going to give an illustration of how that is done. I have a sample report from Amarillo which reads as follows: "Amarillo sanity merry balsenite warfare tamaz."

Translated, that report indicates the barometer, reduced to sea level, 29, and the temperature of the air 66. The state of the sky cloudy, the wind direction south. The highest temperature within the last 12 hours, 70, the wind was moving at the rate of 10 miles an hour, .84 of an inch of rain had fallen in the last 24 hours. "Warfare" indicates the occurrence of thunder storms, and "tamaz", a word which has only recently been added to our reports, is used in connection with giving information about the visibility of the ceiling. "Tamaz", translated, indicates that the ceiling was unlimited and that the visibility was fine. Now, these reports are entered on the manuscript maps by various clerks assigned to do that work. There is a main chart, we call it for short, Map A. Map A is a chart very similar in appearance to what you see before you. We have entered on Map A practically all the information that is telegraphed. Auxiliary charts are also used. These consist of a barometer chart that indicates the pressure changes in the last 12 hours. The temperature change chart showing the temperature changes in the last 24 hours. We also have a chart giving the direction and velocity of the wind at the various elevations along for the use of aviation and in some centers they make a cloud map. We don't make that. We enter the information relative to clouds on the main weather map, Map A.

Now, this map before you, gentlemen, has a lot of lines on it. I haven't any doubt but what many of you here know quite a lot about this. You probably know as much about this as some of the people in the weather bureau, but I am going to go ahead anyway and tell my story.

The solid lines here are isobars. They indicate the pressure of the atmosphere to the nearest ten-hundredths of an inch. We have not indicated at the end of each line the actual pressure. We have done this for the highest, 30.6 and lowest, 29.4.

It is necessary, owing to the fact that our stations of observation are at various levels, of course, above the ocean, to reduce the barometer to sea level; otherwise the observations would not be comparable at all. So we have reduced the results to sea level.

The heavy blue lines are isotherms, lines of equal air temperature. We have not attempted to draw these lines in the same manner that we draw them on our regular weather maps. There would be too

many of them, and that would give too much confusion, but we have indicated the zero line as 30.6 and 60 degrees. We have this shaded line showing the precipitation. The symbols show the character of the weather: Clear, cloudy, partly cloudy, snowy, and perhaps rain.

Now, after the map is completed, we have here before us, of course, a picture of the actual occurrence of the weather, at the time of observation. We should have indications of high and low pressure areas. Now, all of our weather in the United States, and perhaps most of the rest of the world except the tropics is controlled mainly by these moving highs and lows. They have two different kinds of movements. There is internal circulation around the high and low that should not be confused with the motion of translation, of the high and low itself. In connection with the low, the air circulates, as you see in a counter-clockwise manner. It does not flow directly toward the center of the lowest pressure, but usually in a sort of a spiral fashion, inflowing spiral manner. In a high, the air outflow, of course, is outward, in a spiral form, in a clockwise direction.

Now, in addition to this internal circulation, the whole high and low system usually has an eastern trend. That is one of the cardinal principles in forecasting the weather, the fact that weather movements are largely from west to east. If that fact were not true, weather forecasting would be a still more difficult undertaking, but the general circulation of the atmosphere carries these highs and lows to the eastward. I do not want to have you infer that these lows and highs take a directly eastward course—that is not true at all. Usually it is a more or less circuitous movement, but eventually the highs and lows do reach to the eastward.

This particular high that you see here (indicating the chart) of course, is previous history, probably at that time we were not getting these reports from northwestern Canada as we are today. But undoubtedly that high came down over northwestern Canada, and here it is beginning its appearance in the United States and southwestern Canada.

(Next map) There is the succeeding map, 24 hours later. This low has still further increased in force. Here it is not very far out of Chicago that morning, as a rather intensive low; the barometer reduced to sea level, 28.3; the high had pressed downward over the Rocky Mountains were carrying a marked fall in



F. C. BELL AND F. H. HALL, OF OMAHA

temperature. The temperature is around zero at Pueblo. The winds are southerly, whereas west of the center of the low, the wind has shifted and back to northwest.

The precipitation area of the last 24 hours is indicated here again in this yellow shading. The outbreak of precipitation is about what you would expect in connection with that type of low.

(Next map) The low now is up here just northeast of the Great Lakes Region. The high part of it has come down over the southern Great Plains region, carrying with it this great fall in temperature, cold wave accompanying. The zero line is down here in Kansas. The freezing line has advanced clear down to the Gulf Coast into southern Texas.

This series of maps illustrates in a very general way how weather travels. The accompanying conditions of a high and low are rather typical. Usually a low, pressure area is associated, of course, with stormy or cloudy weather, whereas a high pressure area has the opposite characteristic, usually a region of fair weather, not usually much wind movements, and temperatures below normal, at least on the eastern side. So, it is the movement of highs and lows that give us our weather.

It is often said, you know, among ourselves, as

usual we are having unusual weather. You can make that statement about 80 per cent of the time. Weather has averages, of course. We know all about the average weather conditions; we have these figures galore, but it is seldom in examining the weather conditions for any one day for any one place that the average is attained. If it is attained in temperature, it will not be in some of the other elements. It may not be in the state of the sky or pressure of the air, or wind conditions; so, much of the time, gentlemen, you are safe in greeting your friends by saying, "As usual, we are having unusual weather."

I think while we are talking about these highs and lows, I will say a word about differentiation between cyclones, hurricanes, and tornadoes. That is the question on which there is a lot of misinformation. A cyclone is a large general storm, as you see there. The large general lows across the country every two or three days, and I may say, there is a rather regular sequence in the passage of highs and lows. Of course, it isn't so regular that we are absolutely assured that if we have a low today that in two or three days we will have a high, but I can say much of the time there is enough of a sequence in the movement of highs and lows whereby one can use that information with considerable profit.

A hurricane is a storm that develops over the tropics, usually north of the tropics. I don't mean to infer that it is on the equator, but usually in the Northern Hemisphere: hurricanes develop 10 or 15, sometimes 20 degrees, above the equator. The West Indies hurricanes develop and move northwest or until they reach the Tropic of Cancer, and then they recur, and sometimes are brought across the Gulf of Mexico and wreak their destruction over the coast, such as the Galveston storm several years ago. In a number of cases the track of the hurricane reaches the coast of Florida. It may move over the Bahama Islands and move northeast.

Surrounding pressure conditions have a lot to do with the movements of hurricanes, as well as other storm conditions; if we have a great mass of high pressure over the North Atlantic Ocean and a hurricane is present here, as a rule that hurricane is forced west of its normal course and sometimes the pressure is high over the eastern United States, at the same time, and the hurricane never will recur, but move northeastward. It moves north and strikes Mexico and disappears soon after it reaches inland.

A tornado is a very intense storm, which usually forms in connection with thunderstorm conditions. Most of the time a tornado develops in the southeastern quarter of the low pressure area. Of course, this low has advanced so far and it is the season of the year when we would not have tornadoes in this section. If this were summer, and this low were centered and other conditions were right, a tornado would be apt to develop in the southeastern quadrant of the low. You find the conditions ideal for tornado development. The atmosphere and the temperature are right.

We have tornado development when there is a great overturning of cold air aloft in connection with warm air at the surface of the ground. Those conditions occur mostly in the early or late spring, and of course, as the season advances, tornadoes are more common up in the Minnesota section than they are earlier in the year.

A talk on forecasting would not be complete without some reference to long range forecasting. We are all interested in long range forecasting. I would like to read a statement on long range forecasting. This statement was prepared by the chief of the weather bureau, and its scientific staff during the last few months and sums up the present status of long-range forecasting.

The weather bureau of the United States Department of Agriculture will employ long range weather forecasting just as soon as it can be put on a scientific basis rather than on a foundation of mere guesswork. The weather bureau and other scientific agencies have, for a long time, been studying the possibilities of long range forecasting. To date no practicable methods have been devised, and so-called forecasts of this character are no better than mere guesses. The scientific views and practices of the bureau are sound and these will withstand the most sincere scrutiny of honest, capable, unprejudiced students.

Through the last several hundred years there has seldom been a time when one or more long range forecasters have not sought to interest the public in their sensational claims. These have flourished for a time, only to pass into obscurity. Neither the claims nor the theories have been able to survive the inexorable test of time.

Similarly, from time to time since the establishment of the weather bureau in 1870, some such forecasters have tried to advertise themselves and their views by violent abuse of the Federal officials for not endorsing their claims. The same thing has happened in England, France, Germany, Italy, and elsewhere. Instances of such forecasters operating independently of and in conflict with the collective experience and knowledge of the professional meteorologists are old stories.

In contrast to these, another class of students apply their time and efforts along sound and accepted sci-

tific lines to solve the problem of long range forecasting by honest and intelligent effort. Professional meteorologists feel no hostility towards these earnest students. As a matter of fact, leaders in this class are to be found both within and without the great national services, and cordial friendship and co-operation prevail between all such private and professional workers.

Within the United States the weather bureau holds a leading place in this line of meteorological progress, and the pages of its monthly *Weather Review* carry many notable and original contributions of a progressive character, dealing with sunspot; solar radiation; solar and terrestrial correlations; the laws of sequence of weather conditions; the dependence of present weather in one part of the globe upon antecedent conditions somewhere else, and so on.

These topics collectively embrace all the known possibilities upon which long range forecasting can be rationally based.

For several years one official devoted practically his entire time to the review of past and current literature and to the prosecution of special studies in the field of long range forecasting possibilities. In addition, others of the bureau, including the chief of the bureau himself, have given special attention to this line of inquiry. Any suggestion that will stand the test of analysis and that possesses the promise of real forecasting value is welcome. The public may be well assured that the weather bureau speaks with authority, based upon positive knowledge, on any of these questions of long range weather forecasts.

While the prolonged researches of the professionals have disclosed thus far little more than encouragement, faint suggestions, possible clues—something to be studied further—the self-constituted forecasters

chief of the weather bureau and his scientific staff, and sums up the present status of long range forecasting.

Before final adjournment of the convention, Chairman Sturtevant, of the nominating committee, gave his report which resulted in the election reported on the first page of this report. President Butler took the chair, and Mr. Dow was presented with a silver bowl as a reminder of the association's appreciation of his words as president during the year just closed. President Butler asked for the support of all members during the 1930-31 term.

Fred G. Horner, of Evanston, Ill., chairman of the resolutions committee, presented the recommendations of that group which were adopted, one by one, as follows:

RESOLUTIONS

NO. 1

From its organization in 1896, the attitude of the Grain and Feed Dealers National Association has been that of friendship for and co-operation with the farmer. It has held consistently to that attitude and now reaffirms its position that whatever will bring genuine prosperity to the farming community will have its earnest support.

For more than 10 years the condition of agriculture has been the subject of debate in and out of congress. One and only one scheme has been proposed for its amelioration. The members of this association have persistently and consistently opposed any Government-erected, Government-sponsored instrumentality of commerce. Never has it opposed, and it does not now oppose, any voluntary agricultural association, organization, or business facility based upon its own capital and enterprise.

We assert that the Agricultural Marketing Act, politically created, politically operated, is unsound in principle and dangerous in practice, not only to the business of this nation whose rights it seeks to destroy but to the very interests it seeks to aggrandize.

Already the workings of the Agricultural Marketing Act have been disastrous to agriculture. Its difficulties have been multiplied and its sufferings have been intensified. Great as may be the abilities; honest as may be the efforts; diligent as may be the labors; bold as have been the acts of the farm board, not a single success can, by any stretch of the imagination, be ascribed to it. With a half-billion dollars of Government money; with the power and prestige of the national Government; with ample time in which to test the effectiveness of the act, every result proves how utterly futile has been the effort of Government farm relief; how unwise and impossible is any such attempt to substitute arbitrary values for those established by economic law.

This class legislation cannot be justified by any achievement but merits condemnation and repeal, not only because it utterly fails to accomplish the purpose for which it was designed but because of the injustice it perpetrates upon every citizen of this country and because it undermines every conception of individual enterprise and initiative.

All engaged in the competitive system of commerce bitterly resent the activities of Government agencies operating contrary to all the traditions and principles of this country. Business men know that they can not successfully meet the competition of the Government. They have to absorb their losses out of their own resources while the Government absorbs the losses of its agencies out of the resources of its citizens through the taxing power. The business of marketing agricultural products can no more exist part Government, part private than this country could exist half slave, half free.

We declare our conviction that the Agricultural Marketing Act is a subversion of the constitution: a nullification of its guarantees, such a repudiation of the rights of the individual as justify an appeal to the courts for protection and vindication.

The entire business fabric of this country is in jeopardy and we now call upon the officers and directors of our association to exert their supreme efforts to mobilize the farming and every other business interest and bring to them a realization of the situation of utter demoralization and destruction which must result to the entire country from a continuance of such a governmental policy as that embodied in the Agricultural Marketing Act. Not only does such legislation threaten the destruction of business in every line but it threatens the very existence of our Government. The issue must be faced of whether the people exist for the Government or the Government exists for the people. Every lawful method should be invoked to obtain relief from this supremely vicious piece of legislation.

NO. 2

It is the opinion of the Grain and Feed Dealers National Association that the interests of the producers and processors of soy beans would be better served by the transference of their inspection from the Federal Hay and Field Seeds Division to the Grain Standards Division.

NO. 3

The Grain and Feed Dealers National Association desire to thank their host, the Chicago Board of Trade, and each individual member of its many committees for the hospitality which they have so generously provided this week and to express our appreciation for the cordiality and completeness which has marked every detail of our reception and entertainment and we also wish to congratulate the board of trade on the beautiful and imposing new structure which is their home and we wish that we might share a small measure of the just pride which the board of trade must feel in this magnificent building which stands as such a splendid monument to that institution.

NO. 4

The Grain and Feed Dealers National Association desire to express our especial thanks to John A. Bunnell, Ben E. Clement, Hon. Frank Oliver, F. Dumont Smith, John E. Curtiss, D. W. McMillen, C. A. Donnel, George Woodruff, each one of whom has so greatly contributed to the unusually profitable and enjoyable program of our thirty-fourth annual convention.

NO. 5

The Grain and Feed Dealers National Association goes on record and requests the Interstate Commerce Commission to reopen Docket 17000, Part 7 as it relates to milling in transit, storage in transit and the unit rule and that the transportation committee of this association be instructed to join with the American Feed Manufacturers Association in asking the commission to retain transit under proper rules and regulations.



GEORGE BOOTH, VICE-PRESIDENT

seize upon, distort and exaggerate the suggestions of the students, and para-phrase their technical language into plausible effusions in order to justify their claims and their guesses to the credulous public.

It is axiomatic that weather forecasts, whether for a short or a long time in advance, if made on a basis of pure guess work, will be valueless, although they get a certain verification, depending entirely on the laws of chance. On the other hand, such weather forecasts, to be successful, must satisfy the rigid laws of physics. Speculations and effusions that disregard either or both these prerequisites are mere sophistry, if not deliberate fraud.

How absurd it is to suppose that the many Federal meteorologists, either collectively or individually, oppose and obstruct the progress of their science, or that they captiously reject discoveries and new knowledge of any kind. These men are finding their life work is devotion to a great public service. They welcome, intelligently and earnestly, every honest new idea that is sound and that promises practical utility. The public justly looks to these officials for leadership in all such questions, but the Government cannot allow itself to be duped and misled by the various sensational claims and representations that are made from time to time in the press and otherwise. All these must be thoroughly sifted before acceptance.

The Federal meteorologists are animated by only one incentive, which is to give the public complete and up-to-date advices, bulletins, and warnings concerning past, present, and future weather, and flood and crop conditions. These bulletins and reports are required by law and are made impartially without fear or favor. They are issued for the "benefit of agriculture, commerce, and navigation, and to protect the public against misrepresentation and fraud."

That, gentlemen, is a statement prepared by the

BANQUET



On the evening of October 14, dealers and their guests attending the convention assembled for the association's annual banquet in the ball room of Hotel Sherman. Professional entertainers enlivened the program with their performances, but the main event of the evening was the address of George Woodruff, board chairman of the National Bank of the Republic, Chicago. He was introduced by Toastmaster Rumsey, and spoke as follows:

BUSINESS UPS AND DOWNS

(The business chart referred to by the speaker was in three colors and could not be reproduced in time for publication here on the closing day of the convention. Mr. Woodruff's interpretation of the chart, however, presents a perfect picture of the statistics condensed on the chart.—Editor)

YOU will all find at your places a picture of the "ups and downs" of business during the past quarter of a century, and I am going to visit with you a while here tonight about this picture. So if you will all have the picture before you, I will tell you some things about it.

First, you will notice that there are three lines on the picture. One is black, and that line indicates the ups and downs of business activity. That line is

back, beginning in 1905, we will follow the black line and we will see how it went up in 1906 and 1907 and then fell in a major depression in 1907. Then it went up until it was very high in 1910 and then we had quite a considerable minor recession, as we call it, in 1911.

Then we went up again in 1912, finally came down in a major depression in 1914, and we recovered in 1916, the early part and then had in the end of 1917 another minor recession in business. Then we went up again a little in 1918 and another little minor recession in 1919, and then up again, in 1920, and then a major depression in 1920 and 1921. We went to a high mark in 1923, and then we had what looks on the picture to be almost a major depression, but it really turned out to be a minor recession in 1914. The reason it was a minor was because of the rapidity of this drop and recovery, it only having covered about four or five months—that is, the important drop, so that it didn't turn out to be a major depression at all, but rather a minor depression and then this recession in the end of 1917 and now a major depression at the present time.

Now, the minor depressions we are not much interested in: They are only part of the ups and downs of this picture, but the four great major depressions we are interested in because we are now in the midst of the fourth and we would like to know what these major depressions mean, and something of their past history, as that may help us in deciding what we think of conditions today.

Now of these four depressions, that of 1907-8 and that of 1915, that of 1920-21 and that of 1929-30, we might perhaps look for a moment or so at the causes, and when we come to study the causes we find that three of these great depressions were caused by periods of inflation and one was caused by a period of loss of confidence.

In 1906, we were experiencing a great inflation in stocks. There had been a great increase in the gold production of the world, and as a result of this increase in gold production, we found that the bankers throughout the world and particularly in the United States, had greatly increased loans. Banks have a habit of not wanting to let money lie around in the vault, and consequently, they endeavor to get it out at a reasonable rate of interest. At certain seasons when money is particularly plentiful, you will perhaps yourselves have found that the bankers are more smiling when you apply for loans than other times when money is not so plentiful—and you

when money gave out, and we had a great collapse. That money goes to finance every period of inflation.

Now, the next break was not caused by inflation because in 1913, we did not have this customary inflation that usually goes with these major depressions. In that year, Mr. Wilson had engineered through the congress, the famous Democratic tariff, the result of which was quite detrimental to our export trade, the balance of trade turned against us, and we were exporting gold. At that time we did not have a Federal reserve system, and the export of gold was a serious matter.

The people felt that Mr. Wilson's was a socialistic nature, and were disturbed because of that fact. At the same time, the Interstate Commerce Commission was lambasting the railroads, and we had a very weak situation as regards the carriers, and then on top of that we had very short crops in the year 1913. All of these things tended to undermine the confidence of business men, and to create pessimism and slow down business activity.

Well, that went along until the middle of 1914, when on top of all of this lack of confidence came the announcement of the World War, and then business activity plunged on down to the low point creating here a major depression.

Let's go now to the picture of the next major depression, 1920. Here we find one of the greatest inflations in the history of our country. We had brought into this country enormous imports of gold in the years preceding that date. They came here as the result of the war, and this money was used by the banks as usual, to make loans. In addition to the gold imports, we had passed a law at the time we passed the Federal Reserve Act, we had provided for a decrease in the reserves of the banks of the United States, and in addition to that, we had a great inflation in connection with the financing of the war, so that gold and Government bonds were used in a way that they had never been used before, and it was possible for the banks to vastly expand their loans.

They did this, and in expanding these loans, they found that at this time, instead of people in the stock market using the money business men used the money to accumulate inventories, and so we found this great inflation of 1920, taking place not in the stock as it did in 1906, but in commodities, including grain, sugar, coffee, rubber, cotton, everything you can think of, and that great inflation went on along as the money lasted, as inflations usually do, and fin-



Indiana Dealers and Their Friends Formed One of the Largest State Contingents at the Grain and Feed Dealers National Association, Chicago Convention, October 13-15

made up of a composite of the following items: The pig iron production in the United States, the steel ingot production, the freight car loadings, the electric power production, the bituminous coal production, the automobile production, the cotton consumption, the wood consumption, the boot and stone production, and the zinc production of the country.

These items make up a very accurate indicator of the general amount of business activity in the whole nation. The red line is the commodity price index, and that shows a composite of all of the main commodities including your own particular line, of grain, and the green chart indicates the ups and downs of the stock market, this line being made up of a composite of approximately 50 typical stocks.

There is one interesting thing, it seems to me, about this picture, spreading back as it does over practically all of the years of this century, beginning way back at the beginning of the century, and running on down to the first of this month, and that is, that it is, as its name indicates, a story of ups and downs. You will notice, for instance, the black line indicating business activity in the United States. You see it is always up or down. There is never a time in the quarter of a century that that line hasn't changed practically every month. It never seems to lie still for any length of time; it either goes up or goes down.

Now, during this quarter of a century we have experienced, as we will see in looking at the chart, four great depressions, and as we start the chart way

can usually tell whether we are in a period of inflation by noting whether there is a smile on the banker's face when you ask for money.

Money piling up as a result of the great increases in gold production made it desirable for the bankers to endeavor to push out loans and consequently, they granted these loans with a smiling face, and this money happened to be used in 1906 for the purchase of stocks—easy money brought about a great bull market in stocks, and so we finally found this inflation that resulted from the gold production of the few years preceding 1906, we found this inflation in stocks running to a dangerous point.

At about this time, Mr. Roosevelt was attacking industry and busting trusts, and added to the fact that we were experiencing a great inflation that was eating up money faster and faster, we had also a lack of confidence on the part of many business men on account of this great trust-busting campaign of the president.

Finally, as always happened in a period of inflation, bankers got through endeavoring to push money out, because while the bankers endeavor to lend the money out and that starts inflation, after the inflation goes along for a while, it takes command of the situation, and the demands are made on the bankers. Consequently, money rates increased so in the fall of 1906, we find the call money went to a high point, money was getting scarce, but it was not until along in 1906, in the March break of 1906, that fall of 1907,



L. R. Carpenter, J. R. Lofgren, H. M. Barlow, F. F. Thomson, K. B. Pierce, R. S. Turner, C. D. Olsen, R. F. Mueller and Louis Mueller, Peoria and Chicago Grain Men

ally money became scarce, and the banks did not expand, and the inflation went on until the early part of 1920. Finally in the middle of 1920, the money gave out, people lost confidence in the price level of commodities, and we had that tremendous deflation and plunge downward in 1920, carrying the black line down at a very rapid pace.

Now, this last period of depression, the one we are now in, has also been caused by inflation. This has been due to continued gold imports. We having greatly increased our gold in this country since the bankers naturally were inclined to lend it out, and we found the people most willing to borrow, at this time, were the people who owned stocks, and the people who were interested in real estate; so about a year and a half ago, we all realized we were in a great period of inflation, involving two things: stock market securities, and real estate.

Now, a funny thing happened to real estate. There got to be competition between these two kinds of inflation, stock market and real estate, and finally the stock market bid stronger than did real estate. In other words, money gradually became scarce as it always does in a period of inflation, and the bankers were putting the rates up, and finally it got to the place where the real estate couldn't afford to pay the rates the stock market could pay.

There the inflation stopped. If it hadn't been for the inflation in the stock market we would have had a colossal inflation in real estate that would have wrecked

real estate values for a long time to come. This inflation in the stock market checked the inflation in real estate, and while we have had an inflation in real estate of a serious nature, nevertheless this very development did save real estate from a much greater inflation and, consequently, a much greater crash.

Things went on until last year, money was getting scarce. Finally, last fall the money got so scarce that rates were annoying everybody in the world, the people began to lose confidence in the price level for stocks as they had in the price level for commodities back in 1920, and exactly the same thing happened, a great crash took place in the values of stocks, carrying down the black line for quite a ways at the end of 1929.

Then we made a very interesting experiment. We got everybody together in Washington. As a matter of fact, they had a bankers' pool operating in Wall Street, to check it; then everybody got together in Washington and a great effort was made to build up business activity, confining this happening to the proportions of a minor recession and for a while in the spring, it looked as though we had succeeded.

You will notice on the chart that the black line fell quite strongly, but not as strongly as it did in 1920; then it stopped in the fall of 1929 and for four or five months we jockeyed around and believed we had seen the worst of the recession, and that this time we would have a minor recession and not a major depression. However, it turns out we were wrong, and in the last two or three months, and down to the present day, we have gone on plunging down, particularly the last 60 to 90 days, turning what we hoped to be a minor recession, into one of the good, old-fashioned major depressions, as you can see on the chart.

Now, ladies and gentlemen, these are the causes that economists assign for these four great depressions, as a study of these conditions may help us to we can hardly count the time before 1900 modern. The steel trust was established in 1900—our modern ideas of business commenced at that time, and to go back of that time carries us back to an old world.

Now, it might be of interest to us to consider what were the conditions during each of these four depressions, as a study of these conditions may help us to understand the conditions that we have to face at the present time.

Let's look first at the first great depression of 1907. Things went smashing down first in March of 1907, and then followed in the stock market and then followed the great crash in the fall, of November. Some of you can remember the Knickerbocker Trust Company failed; the Westinghouse Electric & Manufacturing Company was in the hands of the receiver; clearing house certificates were issued by all the chief banks in all the large cities, the money completely gave out, and we printed phoney money all over the country. Every little town all over the country had its own particular brand of script.

SITUATION WORLD-WIDE

In addition to this, the situation became world-wide, and we had a great depression spread over the world with conditions in our country that surely cannot be compared with the much more favorable conditions of today.

Now, those were the conditions in the smashup of 1907. In 1914, we took our last downward plunge, making that recession into a major recession, because of the declaration of war. What were the conditions? War on a world scale; shipping throughout the world deranged; impossible for us to ship our goods; part of our goods shipped, and we didn't know where they went; the exchanges of the world completely deranged; no possibility of carrying out financial business arrangements in the various sections of the world, which we were accustomed to build; a moratorium in effect over all the great countries in Europe, and the stock exchange closed. These were the situations we confronted in 1914, and if people were pessimistic at that time, we today can hardly blame them for that pessimism, and yet it is perhaps of interest to us to realize that we in this depression are not suffering from those great difficulties that we suffered from in 1914.

Well, let's look at the next great depression. What were the conditions then, in 1920? Well, you all remember about the frozen assets. There wasn't anybody much that counted for anything much that didn't have some frozen assets in 1920. Everybody of any importance in banking business was serving on various creditors' committees. As a matter of fact, most of the bankers in the country were spending their time in the creditors' meetings, while the boys down the line were running the banks. Dividends were something tremendous. There was hardly a great bank in the country that didn't have many loans that meant a long workout with very great losses and there was hardly a business house of any importance that was not loaded with too much inventory at prices they knew they never could get.

Frozen assets every place; pessimism rampant; certainly more problems than we have today.

Now, what do we find in this, the fourth great major depression of this century? We find colossal individual losses. The multimillionaires running along—the Irish millionaires, we call them. Do you

know what an Irish millionaire is? An Irish millionaire is a man who has \$100,000. We have a good many of that kind around now. They lost tremendously from individual standpoint because of the great shrinkage in their securities from last year to this. Now, there have been very few failures, there have been some failures in the real estate line. The real estate bond houses have gotten into trouble as a result of their half way inflation; outside of that very few failures. Very few creditors' committees. I don't know any bankers who are serving on any creditors' committees at the moment.

In addition to that, we find that our corporations are strong. Corporations have tremendous sums of money in the bank, and money invested in Government bonds. They have no great inventories at inflated values. They are strong, and in the main there is apparently no sign that our great corporations are going to get into any trouble as a result of this great depression. What about the losses in the banks? Well, the banks haven't got any losses. The first time in my life that we have ever gone through a major depression with no losses in the banks. We may have a few little losses here and there from individuals who didn't have quite enough margin of collateral, the collateral clerk was maybe a little too lenient, but the losses and slow assets in the banks are extremely small. This does not apply in the cases of banks that have gone too strongly into real estate financing and we found across the country some difficulties there, due to the fact that real estate had been moving slowly, and real estate loans had not been liquid assets, but in the great commercial houses in the country, we found the greatest liquidity in the last 25 years.

CONDITIONS COMPARATIVELY SOUND

So comparing the conditions of these four great depressions, it is hard for me to become wildly pessimistic because I realize that our situation today is so much better than the situation that exists at any of these other times that I mention.

Well, now that we know something about the causes of these four depressions, and now that we have looked just a moment at the conditions during these depressions, let's consider a thing that is of perhaps even more importance to us, the duration of these depressions.

In 1908, following the great collapse of 1907, we will note that the black line stood still for about six months. As a matter of fact, it went a little lower in the early summer of 1907 and '08, and that seems to be kind of a habit with some of these depressions.

to go down strongly and recover, a little, and go to a lower point before they start to recover.

However, in 1908, we had a large amount of easy money. Money piled up after the great break in security prices after 1907. This easy money was a great help in getting on our way again. At the same time we had very wonderful banking leadership, particularly in New York. Mr. Morgan and other gentlemen of those days were great leaders and that banking leadership, that helped to restore confidence in the middle of 1908 was one of the great outstanding features of that particular year.

Then trust-busting became unpopular after the smashup in 1907 and Mr. Roosevelt went out of office in the fall, Mr. Taft defeating Mr. Bryan. The defeat of Mr. Bryan by Mr. Taft, and the change of administration with the promise of Mr. Taft that while he would carry out Mr. Roosevelt's policies, he would nevertheless do it in a more judicious manner, helped to restore confidence. So the end of the year found us on the upward path and as you will note on the chart, we went up during 1908 and at the end of 1909 and beginning of 1910, we were almost back in business activity to the point we had reached before the smash.

Now, in 1914 and '15, we had a very unusual situation. The break in business activity that took place after the war was declared carried down to about the end of 1914. And pessimism was rampant at that time. Very few people saw the great possibility of the war. The recovery of 1915 was tremendously rapid, but this was due entirely to the enormous quantity of war orders that came from Europe, so that this was an abnormal recovery, that accounts for its rapidity. We see in one year, we had gone in business activity to a point higher than any point in the history of the nation. So here was a rapid recovery due, however, to abnormal conditions.

Now, we turn to 1910, and we find that at the beginning of the year, there was a fairly rapid upturn with a decline again in activity in the summer of 1921. As a matter of fact, the stock market index, in the green ink, shows that the stock market went to the lowest point in the summer of 1921, lower than in the crash at the end of 1920. It furthermore shows the commodity prices falling until the summer of 1921.

There was very great pessimism in the summer of 1921, as great pessimism and probably much greater than we have experienced in the last 60 days. And there was some reason for it. We had a bad summer in 1921. Sears Roebuck sales for the first six months of 1921 showed a falling off of 40 per cent from 1920. I think I read in the paper the other day that Sears-Roebuck have fallen off between 7 and 8 per cent this year.

Steel purchasing in the summer of 1921 was at 20 per cent of capacity. Exports showed a decrease in the summer months of 1921 of 46 per cent over the exports of the preceding year, and furthermore, this whole smashup was worldwide, having commenced as a matter of fact in the silk market in Japan. No wonder the people were pessimistic in the summer of 1921 and talked about three years or depression and three years of the liquidation of the consequences of the war.

But the great buyers' strike as it was known at that time, had proceeded ever since the fall of 1920, and by the fall of 1921, a lot of people who refused to buy anything commenced to get some confidence in the price range and furthermore, got tired of going without things, and gradually came back into the market. As they came back into the market, they had a period of very easy money to assist them, and to assist trade. And so we saw at the end of 1921 a reasonably goodly pickup. Nothing very particular—the slowest pickup we had during the century after a major depression. Nevertheless it was strictly in the right direction.

Then in 1922, people began to realize that the American nation was in need of a lot of things as a result of the shortages during the war. They realized that they needed houses, we needed roads, we needed all kinds of manufactured goods, we needed repairs and we needed farm equipment, and so things began to move faster and in 1922 we went up very rapidly until by the middle of 1923 we struck a point that was almost as high as the highest point in business activity we had ever made in the past.

That is the story of 1921. Here we are in 1930. And what must we conclude as to the probable duration of this depression? Well, some people nowadays tell us about the experience of 1893 to 1896, and they say we are going through the same experience again—three long years. Well, they said that in 1921, and it would seem that they had said it then with more reason than they might say it today.

Let's look back for a moment at 1893, and see if there is any real reason why any responsible person should compare the present condition with the condition in 1893. It is true we had a long wait from '93 to '96, but this was due entirely to the silver situation in the United States. The world lost confidence in America and the American Government because of the fact that we were attempting at that time to introduce silver as well as gold as a basic value. We had passed, in 1890, the Silver Purchase Act. This had upset business, so in 1893 we had the great panic followed by the Reading Railroad in the hands of



the receiver, the Erie Railroad in the hands of the receiver, the Northern Pacific in the hands of the receiver, the New York and New England in the hands of the receiver, the great Atchison system in the hands of receiver; clearing houses; no great banks in America, no great corporations in America, no statistical services in America, so we couldn't even see the pictures. We didn't know where we were.

Then the Government during the next two years issued bonds in order to get gold to keep the treasury on a gold basis, with the constant danger that the United States Government would default in the payment of gold.

Well, during such years we of course, expected great unsettlement and loss of confidence, and that is what we had and it all culminated in 1896 with the free campaign of silver, and Mr. Bryan for president. When we cleared the silver situation out of the way, we went ahead to the McKinley prosperity.

We have no situation like that, and it is hardly conceivable that an intelligent person can compare the present situation to the condition of 1896.

Then there are other people who are saying today, that while the situation is not the same as in 1893, still it is an unusual situation, and we must expect to have a long period of continued liquidation.

Well, now, they base that statement upon the fact that we still have throughout the world the war over-production. We are keyed up to a war producing basis, both in raw materials and manufactured goods, and that during the past year has not been liquidated because of the various schemes that have been put out by governments and associations through the world, organization schemes, Government support of markets, price-fixing plans, and all that line of endeavor that we know about that is intended to hold up prices and hold up activity notwithstanding the fact that we have been really over-producing, and these people say that now supply and demand must come into effect, and we are going to eliminate the so-called marginal producer of goods, and that, they say, is going to take several years.

Now, they might be right, but on the other hand, we must remember that some of this correction of over-war time production has been going on ever since the war, and the history of the past shows us that everything goes up and down, the ups and downs of the picture. We never have found the black line lying still for two or three years. It goes up and down, and it doesn't lie still any time for more than a month.

So, doesn't it seem more reasonable to believe that while we may go on and liquidate these excess productions that came as a result of the war, nevertheless we are going to continue to do, as we have done, by a series of declines and rebounds?

If that be so, then at the present time, we find we have gone a long way in liquidating some of these assets. This present liquidation has somewhere near run its course and this may gradually bring about confidence in the price level.

You look at the red (commodity) line on the chart and notice that there is a slight flattening out in the last 60 days. It may mean nothing, but it may seem a gradual restoration in the price level, so if the present liquidation gradually brings back confidence in the prices, then the increased savings that we find coming into our banks and the decreased use of finance companies, that we are told by the owners of those companies, means there is being accumulated a vast sum of money in savings and a vast amount of credit to be used from the finance companies with which these people who have been saving and paying off the finance companies, may begin to purchase as soon as they get tired of going without, and as soon as they have confidence in the price level.

Now, in 1931, in fact, in the end of 1930, and in 1931 and '32, we have ahead of us easy money. We also have industrial peace — wonderful industrial peace. We also have political stability. No situation such as we find in South America, and some countries of Europe, and these are great things upon which to base an advance in confidence, and with an advance in confidence, we most certainly come to advance in buying.

And perhaps after we reach that point where confidence is restored and where buying picks up, then we may find a very great possibility for residential building in our country. We also may be interested to realize that the farm purchasing power, measured in the purchasing power of the farmer's dollars which is reported now much greater than it was in the fall of 1921, then there is a possibility of an increase again in our exports, based, however, upon our stability and willingness to buy foreign bonds. If the countries around the world will stop cutting each others throats long enough to let us gain enough confidence to buy bonds, we have the money and we will buy them, and will help out exports.

In addition we have the possibilities in the next few years of the modernization of our railroads, and we have in a large sense the need for the making over of the United States in a better way, and in a more stable and soldier way than we have ever known the United States in the past.

All of these things might lead us to believe that gradually as we came up from this period of depres-

sion we might go into a reasonably long period of what we might call distinctly sane prosperity.

We see two great periods of inflation that stands out strongly. That great hump in the red line, and then later the great hump in the green line. We saw the red line come down in 1921, but it went up again when prosperity came. It never even went to the point it reached in 1920, so possibly we may see the same thing in the grain market. It has gone down, possibly it will never go back, at least not for a long time, to the peak it reached in 1929. Nevertheless, as the black line goes up and as the red line flattens out, we may very possibly see the green line pursue something like the course the red line pursued after 1921, never going back to the peak of 1921, as the peak in 1929, as the red line in 1920.

Now, in conclusion, let me call your attention again to the "ups and downs" on the chart and to the very odd fact, it seems to me, that it is a rare wise man who is cautious at the top and to the still odder fact that it is a rarer wise man who is brave at the bottom.

CONVENTION NOTES

Delegates attending the convention experienced a variety of weather during their three-day stay in Chicago, everything from "fair and warm" to "rain and cold" being on the menu. The first day was beautiful with the temperature hovering around 75 degrees, but by the second day the wind had shifted to the northeast and blew in a chilly, drizzly spell.

* * *

The 1930 convention sessions did pretty well at opening on time. All meetings were in swing by 10:15 a. m., only about 45 minutes behind schedule. And, compared with some conventions we have attended, that is an admirable mark.

* * *

There is always a feeling of comradeship about a hotel when grain and feed men gather—even in such a staid institution as the Hotel Sherman. Off



C. G. EGLY, FRED K. SALE, E. E. ELLIOTT

the convention floor, all formality is dispensed with and it's "Hi, Bill" or "Lo, Sam", instead of "How do you do, Mr. Smith?" as it is during the rest of the business year.

* * *

Henry Lichtig, "the flying grain man", was on hand, passing out small folders labeled "A One-word Sermon on Business Conditions"—the word being "kwitcherbelliakin". This we translated after some difficulty as short for "quit your belly-aching". Not an idle thought, at all.

* * *

Representatives from both coasts were present, some coming from as far west as California and others from as far east as New York. Chicago has always been known as a good convention city, not only for grain and feed men but for all types of gatherings, due mainly to its central location. This probably accounted for the unusually large registration.

* * *

Chicago Board of Trade commission houses had the welcome sign out for all delegates, many of whom were getting their first glimpse of the new trading floor and its function. Many compliments were received on the method in which quotations are sent out, a full description of which appeared in the September AMERICAN ELEVATOR AND GRAIN TRADE.

* * *

All prominent Chicago grain men were seen at one time or another, Mr. Rumsey, head of the gen-

eral committee, being on hand constantly. In fact, every time we looked at him he was "on the run", so to speak. Keeping a convention program running on schedule is quite a task.

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The Illinois Central was used to take the golfers to Olympic Fields where the annual tournament was held. This arrangement was not only easier and more economical than cars or busses, but also much quicker.

* * *

The first day of the convention was officially "Columbus Day," but delegates were so busy attending to business and social matters that it is doubtful if any gave the matter much thought.

* * *

C. G. Egly, of Fort Wayne, Ind., president of the National Hay Association, was among the prominent Indiana delegates. Mr. Egly, who took over the reigns of the hay association at a trying period, is devoting a great deal of his time to its welfare, traveling all over the Middle West and parts of the East.

* * *

Other well-known Hoosiers at the convention included the amiable Fred K. Sale, secretary of both the Indiana Grain Dealers Association and the National Hay Association, and E. E. Elliott, president of the Indiana Grain Dealers Association.

* * *

As was anticipated, the address by F. Dumont Smith excited considerable comment. Following the talk, which was punctuated by humorous stories paralleling the present grain situation, the majority of the delegates retired to the corridors to discuss Mr. Smith's points, which were presented clearly and concisely. Mr. Smith, who is from Hutchinson, Kan., is chairman of the Citizenship Committee of the American Bar Association.

* * *

There were a lot of strange faces at this year's gathering and queerly enough they were not those of young men attending their first convention. Rather they were veteran members who have been content to sit back at home while others handled whatever problems might come up, but now that the question of Government in business has become of nation-wide consequence they are prepared to do their part.

* * *

Secretary Charles Quinn's annual report was very complete as usual and covered 17 typewritten pages. He did not neglect to mention that grain and feed men are still threatened by "two horns of a dilemma", but his agitation over the fact seemed less intense than it did when he first mentioned the condition.

* * *

A very limited space was provided for exhibits at the convention hotel. However, several firms made the best of things, and set up interesting displays. The three largest spaces were occupied by the hammer mill exhibit by J. B. Sedberry, Inc., the "safety first" display of the Mutual Fire Prevention Bureau, and the feed ingredient exhibit of the Consolidated Products Company—all of interest to dealers.

* * *

Delegates took the invitation to "bring the wife" quite literally and as a result there was a large number of ladies at the convention. The committee for their entertaining kept its word so there were no dull moments for the visiting guests.

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Although known as the thirty-fourth annual meeting of the association, it was the first gathering under the new name of Grain and Feed Dealers National Association. The "feed" part was tacked on at Peoria last year and more fully describes the membership of the organization.

* * *

If all the unkind references to the Agricultural Marketing Act were laid end to end they would stretch around the world at least twice. The acme was reached when F. Dumont Smith declared that he would have carried a copy of the document to

the meeting only he didn't wish "to soil his pocket." Such unpopularity must be deserved.

Which brings to mind a remark by a certain grain man who declared that if the old superstition that a person's ears burn when someone is talking about them holds true, Alexander Legge must be quite "burnt up" by now.

Frank Hagen, demon publicity man of the Chicago Board of Trade, was present looking quite natty as per custom. He seemed to feel that the 1930 gathering was bringing out some exceptionally interesting discussions.

Due to the gloominess of the weather, this year's crop of convention snapshots were below par. When Old Sol goes into hiding even the most costly camera attachments can't take his place adequately.

Now that it's all over, it might be a good time to sit down and write a congratulatory note to some of the committee heads who worked so diligently to make the convention a success. Let's see: There was Mr. Rumsey, Mr. Booth, Mr. McHenry, Mr. Coe, Mr. Hymers, and their helpers, too numerous to mention here but all doing more than their share.

The annual address of President Bert T. Dow was one of the finest presidential talks we have heard for some time. It was brief, yet it covered the points that it should.

LADD RE-ELECTED HEAD OF WEIGHMasters' GROUP

About 90 per cent of the membership of the Terminal Grain Weighmasters Association, convened in Chicago October 12, for the thirteenth annual



M. H. LADD, MILWAUKEE; J. A. SCHMITZ, CHICAGO; AND H. A. JUNEAU, SUPERIOR

meeting. President Ladd, of Milwaukee, was re-elected, as were H. A. Juneau, vice-president, and H. R. Clark, secretary-treasurer.

President Ladd, in opening the annual meeting at the Hotel Sherman, said:

We meet today in Chicago for our thirteenth annual meeting, and I am indeed happy to be here, and to extend to each and all of you a hearty and cordial welcome.

Our organization, while a small one, fills a very important position, and, as each year rolls by I am more and more impressed with the vital importance of these meetings.

Our first meeting was called by the late Mr. Foss, of the Chicago Board of Trade, and was held in Milwaukee in 1918. It was then designated as the Weighmasters-Scalemen Conference. A majority of you present will remember that momentous meeting. J. A. Schmitz, with his usual untiring energy, prepared a set of resolutions which were discussed and unanimously adopted. These resolutions were wide in scope, and were intended, not only as a guide for terminal

grain weighmasters, but carried recommendations for railroad car builders, grain elevator engineers and contractors, operators of country elevators, in fact, covered the entire field of grain weighing and transportation.

At our 11 subsequent meetings these original resolutions have been added to and supplemented by additional resolutions to meet present day conditions and to take care of contingencies as they arose.

It is indeed gratifying to know that our organization now receives nation wide recognition as the final authority on all matters pertaining to grain weighing, and that our recommendations to other agencies, such as the railroads, the elevator builders, the Grain and Feed Dealers National Association, and the Interstate Commerce Commission have invariably received favorable comment and action by those organizations. Henry L. Goemann, chairman of the transportation committee of the Grain and Feed Dealers National Association, and a fellow member of our organization, is largely responsible for bringing our recommendations before the agencies just mentioned, and I wish to take this opportunity to express the gratitude of our association for Mr. Goemann's hearty co-operation and assistance.

During the past year Mr. Goemann has had some correspondence with the Master Car Builders Association regarding the relative merits of single and double wall box cars as vehicles for transporting grain.

You will recollect that at our 1929 meeting we discussed the proposed specifications for a light industrial track scale. Many of our members were opposed to some of the items in these specifications, particularly the proposed length of weigh rail, which was limited to 48 feet, and a resolution was adopted to that effect. You are doubtless aware, however, that at the last convention of the National Scalemen Association, held here in Chicago in March, those specifications were adopted, subject to some minor changes. The length of weigh rail was left unchanged.

Whenever I attend one of these meetings I am reminded of something our friend, Joe Schmitz, said many years ago. "I have a dollar and you have a dollar; we exchange dollars; we still each have a dollar. But if I have an idea and you have an idea; we exchange ideas; then we each have two ideas." Which is absolutely true, and therein lies the real value of our meetings—the exchange of ideas. I doubt if any one of us ever attended one of these meetings without taking home some practical ideas which were, at some time, of value to us in the conduct of our business.

Tribute to Quist

Before closing I must pay a tribute to the man whom all of us love to look upon as the "daddy of the weighmasters." I refer to our past president, P. P. Quist. Illness prevented Mr. Quist from attending last year's meeting, but it makes all of us happy to have him in our midst today. Mr. Quist celebrated his seventy-sixth birthday last August, and in February, 1931, only four months hence, he and Mrs. Quist expect to celebrate their golden wedding anniversary. I am sure that this association, which he has always been so interested in, desires to extend its heartiest congratulations and best wishes to Mr. and Mrs. Quist.

In closing, let me take this opportunity to tell you how deeply I appreciate the confidence you placed in me when you elected me to the office of president. It was an honor indeed to be made the president of so important an organization.

The 23 weighmasters attending the meeting were: T. B. Armstrong, Kansas City, Mo.; W. H. Byrne, Chicago, Ill.; P. D. Connors, Buffalo, N. Y.; H. R. Clark, Omaha, Neb.; R. R. DeArmond, St. Louis, Mo.; H. L. Goemann, Mansfield, Ohio; B. O. Greer, Nashville, Tenn.; J. A. Hallam, Cincinnati, Ohio; Sam Holder, Indianapolis, Ind.; H. A. Juneau, Superior, Wis.; Clay Johnson, Peoria, Ill.; B. O. Johnson, Kansas City, Mo.; C. A. King, Chicago, Ill.; Paul Larson, Sioux City, Iowa; M. H. Ladd, Milwaukee, Wis.; D. H. Larkin, Baltimore, Md.; P. P. Quist, Minneapolis, Minn.; J. A. Schmitz, Chicago, Ill.; C. G. Stoddy, Des Moines, Iowa; C. W. Wright, Portland; C. F. Hamkinson, Chicago; M. J. Mecker, St. Louis, Mo.; Charles Bruening, Chicago.

COLEMAN'S ADDRESS EVENT OF INSPECTORS' MEET

Harry R. Clark, Omaha, Neb., secretary of the weighmasters' association, was re-elected president of the Chief Grain Inspectors National Association which also held its annual meeting in conjunction with that of the Grain and Feed Dealers National Association, October 14, in Chicago.

Paul Larson, Sioux City, Iowa, was continued as treasurer, and J. H. Frazier, Philadelphia, Pa., as vice-president.

Dr. D. A. Coleman, noted cereal chemist of the United States Department of Agriculture spoke as follows on this interesting subject:

RECENT DEVELOPMENTS IN MOISTURE TESTING APPARATUS

I am more than pleased to be able to meet with you today and discuss with you the topic "Recent Developments in Moisture Testing Equipment." I am more than pleased for the good reason that it gives me the chance to bring to the minds of those most concerned, the best information that we have on this subject which, by the way, is the result of a year's observations and research.

There are so many claims and counter-claims for this and that type of moisture tester emanating from advertising literature of the several manufacturing companies, that it is rather difficult for the lay-reader to be in a position to decide on the merits of a certain device, without going through the mechanics of a comprehensive laboratory study.

As is usual when means are sought for rapidity of action, the field of physical chemistry is resorted to, and as a consequence there are on the market today two distinct types of electrical moisture testing devices, each type working on a radically different electrical circuit, and within one type as many different electrical hookups as there are in the field of radio. All of the new types of testers are claimed to determine moisture in an almost instantaneous manner. Oddly enough, both types of apparatus did not originate in the hands of those primarily interested in

grain, but were the outgrowth of research on the part of industries, particularly the lumber industry, to have a simple and reasonably accurate means of ascertaining the moisture content of the commodities they were processing.

The simplest means made use of by those interested in the development of rapid moisture testing equipment has been the measurement of the resistance offered to the passage of an electric current through a substance. It is an observed fact that electrical resistance decreases rapidly as moisture content increases. The electrical resistance of wheat, for instance, with 13 per cent of moisture is approximately seven times that of wheat with 14 per cent of moisture, and 50 times as great as wheat containing 15 per cent moisture. One can readily see that if the exact moisture content and electrical resistance readings of a series of samples of varying moisture contents were available, such data would readily lend itself to plotting, so that it would be possible to prepare curves and charts from which subsequent moisture readings could be made by simply determin-



PRESIDENT H. R. CLARK

ing the electrical resistance (or conductivity, if you will) of the sample of grain in question, and by reference to the chart, ascertain its moisture content without delay. An added feature is the fact that conductivity readings can be made almost instantaneously and with the simplest form of electrical circuit.

It is the resistance principle which T. E. Heppenstall, research engineer for the Long-Bell Lumber Company, has used in the Tag-Heppenstall moisture meter, about which most of you have heard, and some have had the opportunity of seeing in operation, and about which I will have considerable to say a little later.

Now as regards the other type of moisture testing device. It has been demonstrated that certain materials vary extensively in their ability to hold an electro-static charge. This is particularly marked in the instance of water and the dry matter characteristic of wheat and other cereals. Water has a dielectric of approximately 80, whereas the starch, protein, cellulose, etc., found in cereals have dielectrics less than 10. By placing the grain between metal plates (a condenser, if you will) and measuring the electrostatic charge, there will be a variation in the values obtained, depending upon the moisture content of the sample, which lend themselves to plotting and charting, as I have just described for electrical resistance data. The electrical circuits in the type of instrument of which I am now talking, is not as simple as in the case of the electrical resistance method, as most of the devices make use of specially arranged radio tube circuit in which an alternating current of high frequency is supplied by the tube. Representative testers using the dielectric principle as a basis of determination are the Burton-Pitt device, a Canadian invention, the German D-K machine, and the Berry moisture tester.

The claims as to the relative merits of the two types of apparatus are interesting. Those concerned with the measurement of the dielectric properties as an index of moisture content contend that methods based on electrical resistance measurement are fundamentally unsound for the reason that conductivity or resistance is influenced greatly by the mineral content of the grain under test, and inasmuch as this varies to a more or less degree with each individual sample no constancy of readings can be expected. To which charge, the electrical resistance enthusiast replies that it is true that the mineral content of grain varies slightly, and a slight inconsistency will occur in resistance as a result of this fluctuation in mineral content, but points out very forcefully that this small inaccuracy is fully lost in the vast change in resistance that small changes in moisture content bring about. Also, that high frequency equipment is subject to external disturbances such as the presence of motors, generators, etc.

With such a conflict of thought at hand, it was deemed advisable by us to determine without bias the relative merits of the two types of apparatus. One of each type was secured and tests made on as many of the same samples of wheat as was possible, in order to determine their relative efficiency as replacements for the Brown-Duvet moisture tester.

In making our selection only the most promising machine of each type was secured. These were the Tag-Heppenstall moisture meter and the German Dielectric (D-H) machine. We selected the German machine as representative of the dielectric type of moisture determinator for the double reason that it was the only one on the market at the time our investigations started, and because this machine was a duplicate of one for which a reward of merit was given in a contest staged for the purpose of developing rapid moisture testing devices.

Our experiences with the dielectric type of apparatus may be summed up in a few short sentences. From a theoretical standpoint, they appear to do all that is

claimed for them, that is, with the same sample of grain, made moist or dried out to a definite moisture content, the quantity of moisture present can be satisfactorily determined. This is due apparently to the fact that the two dielectrics, water and dry matter, are varying proportionately. However, with naturally moist wheat of variable moisture content, whereas the dielectric of water remains the same, that of the dry matter varies considerably, as this is controlled not only by the variable chemical composition of the grain being tested, but also by the size, shape, and soundness of the grain. Working with Hard Red Winter wheats, the effect of test weight was very marked, so much so that it was quite impossible to obtain satisfactory results on any part of the moisture scale, the error of determination being in the neighborhood of plus or minus one-half per cent. With the Soft wheats fairly good results were obtained over a very small part of the moisture scale (9 to 14 per cent). Beyond this point, which is right at the point where, from a grain grading standpoint, accuracy of action is imperative, the efficiency of the dielectric apparatus was entirely unsatisfactory.

Results with this type of device appear to be general, while we have not had the opportunity to personally observe and test the efficiency of the Burton-Pitt device, one of our colleagues has, and he comments as follows:

"We carried out a number of tests which indicated that with ordinary Hard Spring wheat, results were obtained, which under certain conditions were in close agreement with the Brown-Duvel. However, when the moisture has not thoroughly penetrated the kernels, the results with the Burton-Pitt apparatus are very unsatisfactory. I am also not satisfied that consistent results are obtained with wheat of high test weight, as compared with wheat of low test weight. It would also appear that the variety of wheat is not without influence on the results, since we found Durum wheat which gave 16.8 on the Brown-Duvel, gave a deflection of 69 on the Burton-Pitt apparatus; while Marquis under exactly similar conditions, and containing 16.9 per cent moisture (Brown-Duvel), gave a 79 deflection on the Burton-Pitt apparatus; while an Axminster wheat of 16.9 per cent moisture (Brown-Duvel) gave a deflection of 72. There are a good many variations and inconsistent results which require clearing up, and a good deal of work which will have to be done before it (the Burton-Pitt apparatus) can be recommended to take the place of the Brown-Duvel tester."

It was my plan to demonstrate one of these dielectric machines before you today. The inventors of the Burton-Pitt machine declined to loan us one of their devices, and the German D-K machine was too heavy to bring with me, so it will be impossible to do so. Beyond showing you something that will not service, I do not believe you have missed anything.

With the knowledge that the presently available choice of dielectric machines will not service, our undivided attention was given to the study of the Tag-Heppenstall moisture meter.

We have been working with this device for almost six months, and up to last Saturday, have made over 1,000 tests for the purpose of comparing its efficiency with those of the Brown-Duvel method.

Through the courtesy of H. A. Olsen, of the Seed Trade Reporting Bureau, we have one of the Heppenstall moisture meters here today, and for those of you who have not had the opportunity of having its operation explained, I will take time to describe it to you in some detail.

The instrument consists of two parts—a resistance measuring box, calibrated in arbitrary units to indicate moisture content, and a highly insulated pair of geared, corrugated rolls between which the wheat passes while its resistance is being read. The electrical circuit includes a sensitive galvanometer (1-10 u. a. per division), an Ayrton shunt, an adjustable resistor, two standard resistors, the insulated rolls, and a dry battery of five 22½ volt units.

The Ayrton shunt is not divided on the decimal system but with factorial steps of three, so that each contact of the dial switch beginning with contact A gives 1-3 the galvanometer deflection of the dial next to the right.

The geared roll feature of the Heppenstall device is most unique and important, as in there lies the secret of the effectiveness of the apparatus.

In previous attempts to use electrical resistance values as a means of determining moisture content, standardize rods usually of brass were used as contact points. Such electrodes were pushed into the mass of grain in a jar to a uniform depth, and at a definite space apart, and electrical resistance readings made. Serious errors of reading crept in, as it was soon found that it was not possible to have always the same pressure of grain between the two rods. Again, with the rod-shaped electrode, especially with high moisture content samples, polarization took place, with subsequent errors of determination creeping in. Leakage of the current from the container to the galvanometer was also extensive.

In the Heppenstall these three significant sources of error have been almost entirely eliminated. The rolls, as I have just said, are corrugated, this makes for a seizing of the kernel and holding it tightly in place for the duration of the test. One of the rolls is on an eccentric bearing. By means of a lever on the side of the box, the one roll can be moved, so that the spacing between the rolls can be accurately adjusted to very fine limits. Permanency of adjustment is accomplished by means of a set-screw device on the side of the box. This roll spacing is important as it controls the pressure applied to the wheat as it goes through, making it uniform within very reasonable limits from sample to sample. The correct roll spacing will vary from cereal to cereal, and in the instance of wheat, a roll spacing of .040 inch has been determined as the most reliable, whereas, for rye, it is .035 inch; for rice, .025 inch, and for grain sorghums .040 inch.

Polarization has been practically eliminated due to the fact that the rolls are in motion as the test is being made and this effect does not have an opportunity to assert itself.

The rolls are highly insulated from the rest of the apparatus by means of high grade bakelite so that all the electrical changes taking place are fully registered in the meter box.

Finally, inasmuch as the test is made on each individual kernel of grain as it passes through the rolls, the final result is in effect the result of many moisture tests on the same sample.

The operation of the device is simplicity itself. The meter box and roll-electrode device are connected regardless of polarity. The assembled unit is first set in balance by turning the switch on the panel board to the position S. Ninety volts of current are now passing through the apparatus.

Next place about 50 grams of wheat in the hopper of the roll electrode, and seize some of the kernels by giving the handle a quarter turn. The galvanometer needle will register. Turn the handle of the

roll electrode with the right hand and with the left hand at the same time advance the switch on the panel board from the dial A to that dial where the galvanometer needle oscillates between 15 and 40 degrees. Now increase the speed of revolution of the rolls until the needle of the galvanometer rests at a more or less constant position. Note this point and also the letter of the terminal on which the switch is resting. Let us say it is F 22. Consult the chart at the point F 22 and note the moisture. What has been done is this—the 90-volt current has been interrupted by means of the grain passing through the rolls, and the machine has again been brought into balance by means of the dials and galvanometer

operators of Tag-Heppenstall machines at widely different points can obtain much more uniformity in their results than can the same operators using the Brown-Duvel tester on the same identical samples. This you can see by looking at the last page of the mimeographed sheets.

We, therefore, plan to continue our studies with the Heppenstall device, clearing up the sources of error wherever possible and working out new conversion charts for the other cereal grain.

WORLD WHEAT PROSPECTS

The wheat crop of the Northern Hemisphere outside of Russia now being harvested is likely to be only slightly if any larger than that of the past season. Recent reports from Europe indicate that in many countries the outturn of the wheat crop is smaller and in many cases the quality of the grain is far below that of a year ago. North America is harvesting a larger crop of better quality than a year ago, but the increase in quantity and improvement in quality of the North American crop is probably more than offset by the reduction in quantity and quality of the European crop.

Russia is an important factor in the present situation. Reliable estimates of Russian production or probable exports are not available. Apparently southwestern Russia has a better crop than a year ago. Grain procurements to date are reported to be larger than for the corresponding period a year ago, but not equal to the amount planned for by the government. One authority has estimated that Russian shipments for the present season may equal 48,000,000 bushels.

A large world visible supply and large shipments of wheat from Canada are also important factors in depressing world prices. The large visible supplies are due in large part to large carryover of old wheat and to the early harvests and early marketings of new wheat in the United States and Canada.

The prospects for the Southern Hemisphere crop will begin to be the important factor in the market within the next two months. Average yields on the larger acreages seeded would result in an increase in production about sufficient to offset the reduction in the stocks of old wheat in Argentina and in Europe at the beginning of the season. The development of these crops will be watched closely during the next few weeks.

The world will use more wheat in the 1930-31 marketing season than in the past season. The reduction in the corn crop of the United States and the low price of wheat in relation to the price of corn will undoubtedly result in the feeding of a large amount of wheat.

Wheat prices appear to be low enough to stimulate the consumption of wheat both as food and feed where the price is a factor in consumption. Record visible supplies in the face of continued restrictions upon imports by many of the European countries and uncertain business conditions tend to depress prices in the wheat markets of the world. Some relief from the present depression is likely to follow a turn in the business situation in some of the important producing countries and a reduction in the visible supplies of wheat. Some of the European countries probably will relax their import restrictions later in the season when domestic supplies have been reduced to a low level and domestic prices become relatively high.

In the United States the supply of wheat including carryover is larger than in recent years, but large amounts are being fed and exports are larger than last year. The feeding of wheat in the drought areas has resulted in some improvement in prices, particularly in the Soft Red Winter wheat markets. The supply of Soft Red Winter wheat east of the Rocky Mountains probably has been reduced below domestic market requirements of this class of wheat. Considerable quantities of other classes of wheat may also have been used in feed mills as well as for feeding on the farm.

PRODUCTION of corn for 1930 in 11 countries so far reported, which in 1929 raised more than 74 per cent of the world total exclusive of Russia, amounts to 2,443,688,000 bushels, a decrease of 24.2 per cent from the production in those countries last year.

WHEAT exports from Karachi, India, during the present season to September 15 are estimated at 7,467,000 bushels and the present outlook is for a fair volume of exports during the remainder of the season, according to the foreign service of the Bureau of Agricultural Economics from Consul General McNiece at Karachi. Prices at Karachi are slightly above world parity and dealers up country are holding for still higher prices. Indian dealers are persistently bullish and any marked demand would cause them to raise prices. At the present time, however, there is practically no demand for wheat and very little business is being done but if the monsoon continues favorable, there ought to be added pressure to sell. Railroad authorities recently declined to reduce the freight rates on wheat. Stocks of wheat in Karachi are now estimated at approximately 4,000,000 bushels.



TESTER DEMONSTRATED AT CONVENTION

were able to obtain samples, were highly satisfactory. The results obtained with the Soft Red Winter wheats were similarly good as we obtained an accuracy of 86 per cent. The type of material we had, however, was not sufficiently extensive to test the whole scale range as the severe drought this season militated against it.

Our poorest correlations were obtained with the Hard Red Winter wheats. With this class of wheat only 75 per cent of our tests were satisfactory.

We have just made a beginning to determine the adaptability of the moisture meter to Pacific West Coast wheats. These are so dry in many instances that we are somewhat apprehensive that the meter will not, as presently circuited, take care of these dry wheats. Wheat with as little moisture as 8 to 9 per cent is very good insulating material, as good in fact as the bakelite insulating material in the roll-electrode. In order to pass a current through wheat in such a condition so that it will register on the galvanometer, a battery of considerably higher voltage than now supplied will have to be used and certain changes within the meter box will no doubt have to be made.

You are all naturally interested in what conclusions we have regarding the utility of the Tag-Heppenstall device as a substitute for the Brown-Duvel tests. Due to the fact that we still have variations of the order listed in the mimeographed sheets we do not as yet feel that it can safely be used in place of the Brown-Duvel tester. There are a number of points relative to the operation of the Heppenstall device which still need investigating.

A few minutes ago I spoke of the effect of temperature on electrical resistance readings. Temperature is going to be a significant factor with regard to the operation of this device in the winter time. We are not certain but what two sets of corrections will have to be made under winter conditions, a correction for the temperature of the cold grain, and a correction for uniformity of expression. Again we do not know what the results will be if cold grain is brought into the laboratory and a slight sweat takes place.

Garlicky wheat has given us considerable trouble, and whereas we feel that we are on the top of that situation, further investigation is necessary.

Finally, we need conclusive evidence on the use of the machine for testing moisture on out-of-condition grain.

We are firm believers in the utility of the instrument, and surely any instrument which can register 85 per cent accuracy in its first six months of trial has abundant merit and warrants the time spent to iron out the cause for the inaccuracies of the remaining 15 per cent. The meters register among themselves with an average of 0.10 of 1 per cent as you will see from the data arising from a study of the performance of five different meters on 10 samples of wheat of variable moisture content. In a like man-

TRADE NOTES

Never before has so much small grain, wheat, barley and rye, been used for feed to replace corn. The feed value of small grains increases up to 20 per cent when it is ground, and that is one of the reasons that so many elevators are putting in grinding equipment, and also one of the reasons why there are over 14,000 "Jay Bee" Mills in use. J. B. Sedberry, Inc., 74 Hickory Street, Utica, N. Y., can tell you when, where, and how a feed grinder could help your business.

During the month of September, 1930, the Zeleny System was installed by the Zeleny Thermometer Company, 542 South Dearborn Street, Chicago, in 408 bins for the Harris County Houston Ship Channel Navigation District, Houston, Texas; 16 bins for the Searle Grain Company, Minneapolis, Minn.; 24 bins for the Ralston Purina Company, Buffalo, N. Y.; 260 bins for the Galveston Wharf Company, Galveston, Texas; 14 bins for the Osborne McMillan Elevator Company, Thief River Falls, Minn.

Although the S. Howes Company, Inc., of Silver Creek, N. Y., have had the Eureka-Buhler Drive in production only since midsummer, already 300 firms have equipped their separators and graders with them. They have been installed on practically every make of sifter and in every case the owner has been delighted with the improvement. Noise is eliminated, and the wracking lurch which eccentrics gave, has been done away with, obviously prolonging the life of the machine. Howes Catalog No. AE 125 tells all about it.

A new catalog of belting, packing, hose, matting and miscellaneous items manufactured by the Diamond Rubber Company, Inc., of Akron, Ohio, for industrial use is just off the press. An interesting feature of the publication is that the cover and mailing envelope were printed from rubber engravings, hand-cut from sheet rubber manufactured by the Diamond company. Copies of the catalog pages have also been specially produced of correct size and shape for inclusion in loose leaf catalogs carried by Distributors' salesmen.

Elwood F. Meschter is now associated with the Sprout, Waldron & Co., Inc., at Muncy, Pa., as sales manager of the materials handling division of their business. This company has been very active in this field with a full line of belt conveyors, elevators, etc., and Mr. Meschter brings to them strong experience in this line. He was formerly associated with Link-Belt Company, Philadelphia, and for the past 13 years with Gifford Wood Company, Hudson, N. Y., in a sales capacity, as well as in engineering, having held the position of chief engineer for several years.

It is a satisfaction to know someone who has experimented with a product which you have heard about, but perhaps never tried. George Lauffer, who operates an elevator at Grant Park, Ill., and handles a number of sidelines, keeps an experimental flock of chickens on which he and his wife try out various feeds. After keeping the flock in confinement and in the dark until the chickens drooped, they fed the semi-solid buttermilk, made by the Consolidated Products Company of Chicago. The improvement was so marked and so rapid that the whole neighborhood was talking about it and as a result nearly every farmer in the community uses semi-solid.

THE GRAIN MARKET SITUATION

By G. A. COLLIER

Grain, Hay, and Feed Market News Service Bureau of Agricultural Economics, United States Department of Agriculture

Domestic grain markets declined to new low levels for the season during the four week period ending October 11. The pressure of heavy offerings of Canadian Spring wheat and new crop grain from Russia, together with restricted European imports and generally favorable weather for the growing

crops in Argentina and Australia, were the principal weakening factors in the wheat market. Rye followed the decline in wheat but was also influenced by a lack of export inquiry and a slow domestic demand. Some improvement in prospects for the 1930 crop and increased substitution of lower priced wheat, oats and barley weakened the corn market and prices declined around 10 cents per bushel during the month. Oats and barley markets weakened with corn, but also reflected the less active demand brought about by improved pasture with the breaking of the drought in most areas.

World wheat supplies for the current season now appear to be about as large as a year ago. The October 1 estimate placed the United States wheat crop at 839,612,000 bushels, an increase of about 2,000,000 bushels over the September 1 estimate. About half of this increase was in Durum wheat, the outturn of which is now placed at 52,000,000 bushels and the remainder in other Spring wheat now estimated at 190,000,000 bushels. The Winter wheat crop is estimated at 597,000,000 bushels, of which about 357,000,000 bushels is Hard Red Winter, 195,000,000 bushels Soft Red Winter and the remainder White wheats.

Latest estimates for the Northern Hemisphere countries, exclusive of Russia, now indicate a crop around 75,000,000 bushels greater than the 1929 harvest. This increase, however, is largely offset by a reduction in the stocks of old wheat carried forward into the new crop year and also by the lower quality of the wheat in important deficit countries of Europe. Shorter supplies of feed grains, particularly corn, in both Europe and North America, will also tend to counterbalance the larger supplies of wheat since the utilization of wheat for feed has increased at the prevailing relatively low prices. European wheat supplies are materially below those of last season, which suggests a material increase in imports. This is indicated by the larger shipments to Europe during the past two months, notwithstanding the liberal offerings of native wheats and the restrictive legislation which is curtailing the international wheat trade in several areas. The most uncertain factors in the European situation are the French and Russian supplies. No official estimate of the French crop has yet been made but trade reports indicate that it is from 80,000,000 to 100,000,000 bushels under last year and that a large proportion of the wheat will be unfit for milling. No definite estimate of the Russian crop outturn this season is yet available. Over 21,000,000 bushels of Russian wheat have already been shipped out and trade reports indicate that an additional 20,000,000 bushels have been sold for export. Trade agencies estimate that from 50,000,000 to 75,000,000 bushels may be available for export from this season's supply. Russian offerings have been a weakening influence, particularly in European markets.

Tariff and milling restrictions are no doubt a factor in the European demand. Germany has recently raised the import duty on wheat from 97½ cents per bushel to \$1.19¾ and has increased the proportion of native wheat to be used in milling mixtures to 80 per cent. France maintains a requirement of 90 per cent native wheat in milling mixtures and a tariff of 85¼ cents per bushel in addition to a system of refunds of import duties which in operation is equivalent to an export bounty. Italy has a tariff of 86¾ cents per bushel.

Southern Hemisphere crops are now approaching their critical period of development, but conditions at present are generally favorable with good rains during the first part of October having improved the outlook for the new crop. During the past three seasons when conditions were no more favorable than at the present time and with a smaller seeded acreage, exports from the Southern Hemisphere ranged from 260,000,000 to 356,000,000 bushels.

Supplies of old wheat in Australia at the first of October available for shipment during the remainder of the crop year were more than twice as large as the actual shipments during the corresponding

period in 1929. This partly accounts for the pressure of Australian offerings on the European markets during recent weeks. Reports of wheat stocks in Argentina are conflicting, as the official data would indicate that supplies are practically exhausted while trade advices report considerable stocks of poor quality wheat still on hand and attribute the recent small shipments to the slow export inquiry for wheat of this type.

While the pressure of Russian offerings appears at the moment to be the principal weakening factor in the European situation, the efforts of Canadian and Australian shippers to dispose of their surplus have also been weakening factors in the general market situation. At the close of the market October 10 Russian wheat was quoted in London at 73¾ cents per bushel compared with quotations of 82½ cents for United States No. 1 Hard Winter, afloat, 78¾ cents for No. 1 Manitoba for shipment from Vancouver, 74½ cents for 64½ pounds Argentine wheat and 89¾ cents for Australian wheat. World shipments of wheat and flour from August through September totaled approximately 140,000,000 bushels compared with 124,000,000 bushels shipped during the corresponding period last year.

United States Wheat Meeting Good Domestic Demand

While cash wheat in domestic markets has followed the decline in future prices, the moderate offerings have met a fairly active demand. Mills are active buyers of the better grades while demand from feeders and feed manufacturers has absorbed the remainder of the offerings. The protein of both Spring and Hard Winter wheat is unusually high this season, inspections of Spring wheat having averaged 14.6 per cent for the season to date, which is the highest for any similar period since protein has been an important market factor. The inspections of Winter wheat at Kansas City averaged 12.47 per cent for July, August and September this season compared with 12.13 per cent for these months in 1929. Protein premiums have been unimportant because of the relatively large amounts of high protein wheat available. Current arrivals of Soft Winter wheat at the principal markets have been barely equal to trade requirements but mills are generally buying slowly and are drawing some of their supplies from local stocks, which are fairly large. No. 2 Soft Red Winter wheat was quoted October 10 at St. Louis at 89 cents per bushel and at Chicago at 86 to 87 cents per bushel.

Corn Market Weaker

The corn market weakened during the month under the influence of some slackening in demand with the substitution of increased amounts of wheat, oats and barley, but indications of an early movement of new corn, prospects for which are more favorable than a month ago, were also weakening factors. The crop was officially estimated as of August 1 at 2,047,000,000 bushels, an increase of about 64,000,000 bushels over the September 1 estimate. This is still the smallest crop harvested since 1901 and is 262,000,000 bushels less than the short crop of 1924.

HAY OFFERINGS LIGHT: DEMAND FAIR

Hay markets were generally steady to slightly lower during the week ending October 10. Light offerings continued in fair demand, but the outlet was somewhat restricted by good fall pastures in many of the central and eastern states, according to the weekly hay market review of the U. S. Bureau of Agricultural Economics. Pastures have improved greatly in the drought areas which received adequate rainfall during September but they are still below average except in Nebraska and some of the western range states.

Official October 1 estimates place the Tame hay crop 84,000,000 tons compared with 101,000,000 last year and a five-year average of 93,000,000 tons. Wild hay was placed at 12,000,000 tons compared with nearly 13,000,000 last year and Alfalfa at 28,-

500,000 tons compared with nearly 30,000,000 last year and a five-year average of about 29,000,000 tons. The condition of pastures October 1 averaged 56.1 percent of normal. This represents a substantial improvement over the condition September 1 but is the lowest October 1 condition in the 15 years for which records are available.

Emergency rates put into effect by railroads as a drought relief measure may be continued until March 31 under a recent order issued by the Interstate Commerce Commission. Whether or not the rates are extended now depends upon the decision of the carriers.

Timothy markets were steady to slightly lower with light offerings generally in fair request. Arrivals at Boston were light, but demand was quiet and conditions remained unchanged from those for the previous week. Heavier offerings at New York forced a decline of \$1 per ton on large bales, but smaller bales held steady with scant supplies. The Cincinnati market continued dull with light offerings and demand almost entirely local. Southern inquiry remained disappointing. The Chicago market remained steady with extremely light offerings in good demand from all classes of the trade. Several cars of U. S. No. 2 Light Clover Mixed from the "Soo" country sold at that market at prices quoted for U. S. No. 1, but the bulk of the offerings were of somewhat lower quality and quotations were reported unchanged from those for the previous week. The Minneapolis-St. Paul market was also steady with light offerings. Demand was almost entirely local and for immediate needs only. Offerings at Kansas City were extremely light, averaging one car per day but the light requirements, principally from local teamsters, were easily filled from storage stocks at steady prices. Some accumulation of low grade hay was reported at St. Louis.

Alfalfa markets were also steady to slightly lower with moderate offerings generally in fair demand. Receipts continued extremely light and in good demand at Chicago. The Minneapolis-St. Paul market was also firm with light receipts. Arrivals at Kansas City included fair amounts of about all grades.

Local retailers and dairymen offered a good outlet for the leafy fourth crop hay at prices close to the top of the range for U. S. No. 1 extra leafy, although some of it was somewhat undercured. Shippers were in the market for the well cured hay of all grades despite the continued light demand from the drought area. Local meal mills received several cars direct from producing sections and also purchased light amounts on the open market. Considerable dissatisfaction has recently aroused in the drought area with the quality of hay shipped direct from producing sections. This together with some improvement in pastures has caused considerable falling off in demand in the larger central western producing sections and shipping point prices in these areas declined \$1 to \$2 per ton during the week.

California Alfalfa markets were dull with prices steady to slightly lower on light receipts. Growers were generally holding for better prices while buyers were mostly inactive and limiting purchases to immediate orders. Over 6,000 tons moved from San Francisco to the Atlantic seaboard during September, but the present demand from that area is reported light. Trade reports indicate that there is now a surplus of 45 to 50,000 tons of Alfalfa hay in southern California.

Prairie hay markets held steady with light offerings about equal to demand March hay quoted at Chicago October 9 at \$7 to \$10 per ton. Demand has slackened in the Elkhorn Valley of Nebraska and the Flint Hills section of Kansas and shipping point prices in those producing sections declined slightly during the week. Price to producers in the former are arranged from \$4 to \$8.50 and in the latter from \$8 to \$9 per ton. Comparatively low prices in the Elkhorn Valley were occasioned by much low colored and weedy hay. Approximately 50,000 tons of upland Prairie hay, one-fifth of which is yet in producer's hands, is estimated by the trade to be available for shipment out of northwestern Oklahoma. Shipments from that territory during July and August were about double those for the corresponding period of last year.

over wheat and other grains indefinitely, or can sufficient substitutes be used to take the place of a good portion of this shortage?

I have come to the conclusion that substitutes can be used, but the greatest substitution for corn will take place on the farms in the feeding to animals and not in industrial uses, and that we will receive in the primary markets of the country from this short crop approximately the same amount of bushels that we would from an average crop.

The reason is that the bulk of the corn which comes to the primary markets goes into industrial uses and for which only a very small amount of substitutes can be used. In view of the fact that but a very small amount of substitutes can be used, it is needless to say that in order to draw supplies to the terminals for the industries, price will be the governing factor and I am ready to believe that the value of corn this year will continue to lead the value of other grains and that the farmer will sell the greater portion of his corn and substitute for corn in the feeding of his cattle, hogs, and poultry such grains as wheat, oats, and barley.

The total primary receipts last year up to and including November were 288,964,000 bushels of corn, this amount being exclusive of the smaller interior markets. Of these receipts approximately 110,000,000 bushels of corn were used by the merchant millers and mixed feed manufacturers exclusive of the wet corn millers, and approximately 86,000,000 bushels were used by the wet corn millers, such as the Corn Products, American Maize, etc.

Predicts Industrial Substitution Will Be Small

From the best figures available in the short space of time permitted me to get these figures, approximately 27,000,000 bushels of white corn were used by the manufacturers of White corn products, such as Postum, Kellogg, etc., which amount added to that used by the mixed feed manufacturers and wet corn millers makes a total of 223,000,000 bushels of corn that went into direct industrial uses, leaving of the primary receipts only 50,000,000 bushels of corn for use by the small car lot feeders, that is the small dealers scattered throughout the South, East, and immediate sections who buy carload lots of grain from Chicago and other terminals for local feed trade, vinegar works, stockyards, etc.

So you will judge from the above figures that there can be no great substitution for corn except in an extremely small amount by the white corn millers who may be able to substitute yellow corn meal in place of white corn meal, but this is really not a substitution because corn has to be used. Likewise the wet corn millers cannot substitute barley, wheat, or other grain in the manufacture of their products, and the real substitution that can take place from the consuming or industrial end of the volume of corn that may come to the primary markets would be by the merchant millers and mixed feed manufacturers who, undoubtedly, could reduce the percentage of their corn in their dairy feed, poultry feed, etc. But it is a question whether they could substitute sufficient other grains in place of corn and still maintain a feed up to the standards and up to the demand of their trade without the use of corn.

It is problematical as to the percentage of such substitution that could be made; but for the sake of argument we will grant that they reduce their percentage of corn one-fourth, which would be approximately in the neighborhood of 25,000,000 bushels. This you will agree is rather a small amount, and therefore, in view of the inability to substitute except in a small way in the industrial field, I believe that the industrial requirements of corn will warrant a sufficiently good market and will induce the country to ship their corn to the market as they have in the past, and if necessary to substitute, to do so on their own farms.

You will say that if the price warrants we might import corn. But the records show our imports into this country have been very negligible.

One Out of Three Cars to Industries

It is interesting to note that approximately out of every three cars of corn arriving in the primary markets, one is purchased by the corn products industries; and that the two most important industries buying this corn that comes to this market are mills making corn products for human food and use such as corn starch, corn syrup, corn sugar, and I believe that there are approximately 157 articles made directly from corn and its by-products or as a result of corn feeding.

Corn is a United States crop, a domestic proposition from start to finish, and if wheat and other grains were only a domestic proposition, we certainly would be sitting on top of the world and could tell Russia and others to go "jump in the lake." When you stop to realize that approximately 85 per cent of our corn crop never comes to the primary markets, and when you figure that the industries and mills must have their usual requirements, it is reasonable to assume that the price enhancement will be such as to draw our usual amount of corn to the primary markets, and that the substitution for this corn, in view of the shortage, will take place mainly on the farm.

Senator Titus drove from Iowa especially to attend this first session of the Grain Market Analysts Club.

W. A. MANEY CHOSEN HEAD OF MINNESOTA FEED DEALERS

The plan to affiliate with the Central Retail Feed Dealers Association was approved by retail feed dealers from the St. Paul-Minneapolis district at a meeting held in the latter city. Permanent district officers were elected at the same time and are:

W. A. Maney, president; E. J. Houle, vice-president; and H. L. Brings, secretary-treasurer. Mr. Maney and Mr. Brings served as temporary officers since the first meeting in August.

A committee to study the credit situation in Minneapolis and St. Paul was appointed and while the group will investigate credits in the Twin City trade only, it is expected that the investigation will soon to the surrounding territory.

The main address on the program was delivered by John McHugh, secretary of the Minneapolis Chamber of Commerce, who pointed out the neces-

ASSOCIATIONS

MEETING OF GRAIN MARKET ANALYSTS DRAWS 50

The organization meeting of the Grain Market Analysts Club in the Palmer House, Chicago, on September 24, drew an attendance of about 50 men connected with grain firms and various publications. A committee was chosen to nominate officers, and make further suggestions as to dues, frequency of meetings, etc.

Charles Michaels, who edits the news on the Chicago market's broad tape, Harvey Williams, grain firm statistician, Fred Record, grain market radio announcer, and Mark W. Pickell, statistician of the *La Salle Street Herald* are organizers of the association.

In brief, the problem confronting the grain markets, as outlined for the meeting was as follows: The latest compilations give Europe a wheat production in its 12 principal countries of 1,269,793,000 bushels, compared with the 1923-27 average of 1,158,000,000 bushels and a pre-war average of 1,273,000,000 bushels.

In the meantime, however, total production of Argentina, Canada, and the United States promises this year to total approximately 1,608,000,000 bushels compared with a pre-war average of 1,124,000,000 bushels. Russian exports are expected to be around 48,000,000 bushels—and they seem working slowly but surely back toward their pre-war exports of 150,000,000 bushels.

Must prices of wheat, it was asked, return again next year to present levels or lower, so that farmers will lose money on their production, the mortgaged land be forced on to the banks, the banks forced to redistribute this land at less than \$100 an acre so the United States can export in competition with Argentina, Canada, Australia, and Russia?

In addressing the meeting, Chairman Pickell

called attention to the fact that if you would be an engineer, you can go to college and study the experiments of others and start in where they leave off. If you would be a doctor, you have a multitude of books as a guide. Doctors bury their mistakes, and yet the medicinal and surgical professions are most highly respected. But if you would be a grain man, you are in a profession that has been damned from the earliest ages. He declared that the recent fiasco of the Federal Farm Board was inevitable because the press of the country has led the farmers and politicians to believe that the market could be put up or down at the will of a few big speculators.

The board tried, he said, by buying 60,000,000 bushels of wheat, and backed by a credit of \$500,000,000, to prevent a decline, but had been forced to confess failure. "Prices could not be advanced in the face of an accumulating surplus." He marked this admission as a turning point in economic history in grain, and called on the men of the trade to free their profession from the stigma that has been attached to it for ages. "For the first time in over 40 years of agitation there comes the admission from one in a public place that the fault is not that of the board of trade, but of supply and demand. For the first time in history it is seen that money is impotent in the manipulation of prices unless conditions of supply and demand are favorable."

George Saunders, N. C. Murray, J. F. Jackson, E. H. Miller, and R. O. Cromwell, were among the other speakers. John Murphy, another Chicago grain man, spoke in part as follows:

CORN OF THE 1930-31 CROP

It is generally conceded that we shall raise a crop this year of approximately 2,000,000,000 bushels which will fall short of the past five-year average by approximately 766,000,000 bushels. Therefore, the question arises—will this immense shortage in the corn crop cause values of corn to prevail at higher levels

sity for and benefits of group organization. He stressed the point that such co-operative effort is more necessary than ever, now that the Agricultural Marketing Act has become effective.

Association Briefs

SECRETARY E. P. MACNICOL of the Southern Mixed Feed Manufacturers Association has announced that this organization will meet in Memphis, October 21 to 23. Problems of general interest, including the grain rates, trade practice conference, and small package differentials, will be discussed.

FRED K. SALE, secretary of the Indiana Grain Dealers Association and of the National Hay Association, is busy these days hopping from one convention site to another. After attending the meeting of the North Eastern Indiana Hay Dealers Association, October 6, he dropped in on the Grain and Feed Dealers National Association convention in Chicago.

THE annual fall meeting of the Ohio Grain, Mill and Feed Dealers Association will be held in Columbus, Ohio, on October 28. The gathering should be of especial interest to feed men as proposed changes in license fee will be discussed.

THE Feed Dealers Association of Washington held a dinner at the St. Helens Hotel recently. Legislative problems, weighing hay at shipping points, bad checks, and other matters were discussed.

THE Illinois Farmers Grain Dealers Association has appealed to farmer elevator concerns for aid in opposing the efforts of the farm board and its proteges to swing independent elevators into the Government-sponsored co-operatives. The association contends that the Government campaign places the 5,000 farmers' elevators of the Middle West in constant danger of disruption.

THERE will be a great many grain men in Lincoln, Neb., the last of this month. The Nebraska Grain Dealers Association meets there on October 28 and 29 and the Farmers Elevator Association of Nebraska convenes there on October 30.

CONVENTION CALENDAR

October 21-23:—Southern Mixed Feed Manufacturers Association meets in Memphis, Tenn.

October 22:—Grain Market Analysts Club meets in the Palmer House, Chicago, Ill.

October 23-24:—Association of American Feed Control Officials meets in the Hotel Raleigh, Washington, D. C.

October 28.—Ohio Grain, Mill and Feed Dealers Association meets in the Deshler Hotel, Columbus, Ohio.

October 28-29:—Nebraska Grain Dealers Association meets in the Lincoln Hotel, Lincoln, Neb.

October 30-31:—Farmers Elevator Association of Nebraska meets in the Hotel Lincoln, Lincoln, Neb.

December 9-11:—Farmers Elevator Association of South Dakota meets in the Ward Hotel, Aberdeen, S. D.

February 3-5:—Farmers Grain Dealers Association of Illinois meets in the Pere Marquette Hotel, Peoria, Ill.

GRAIN WORLD

RUSSIAN GRAIN PROCUREMENTS AND SOWINGS

The rate of procuring operations in Russia showed a decline during September, which was apparently due to a delay in threshing and also to reluctance of the collective farms to sell their grain, according to a cable from assistant agricultural commissioner Dawson at Berlin. The latter cause is an important fact in view of the expected large increase in their share of the total procurements. The grain area sown up to September 10 is estimated at 35,000,000 acres. In the early regions, where the pace of the autumn work is regarded as unsatisfactory, 30,000,000 acres, or 60 per cent of the plan, have been sown.

ARGENTINA HEARS PLANS FOR CONSTRUCTION OF GRAIN ELEVATORS

A proposal involving the construction of a chain of over 800 grain elevators in Argentina has been presented to the government by a local firm, the Department of Commerce is informed in a report from Charles H. Ducote, assistant trade commissioner in Buenos Aires. The total cost of the construction would be more than \$50,000,000. Accord-

ing to press notices, the financing of the project would be undertaken by the firm Baring Bros., of London.

The first Argentine grain pool was formed in August at a meeting held in Rosario, of the Asociacion de Co-operativas Argentinas (Association of Argentine Co-operative Societies). Over 40 delegates from the 19 co-operative societies formed in conjunction with the building of a chain of grain elevators in the provinces of Cordoba and Santa Fe attended the meeting.

CANADIAN WHEAT POOL PAYMENTS

A recent report of the Canadian Wheat Pool transmitted to the Department of Commerce by Herbert Barrett, assistant trade commissioner in Winnipeg, contains the following resume of the initial and total payments per bushel of wheat made by the pool to its members:

	Initial Payment	Total Payment
1923-24	\$.75	\$1.01
1924-25	1.00	1.66
1925-26	1.00	1.45
1926-27	1.00	1.42
1927-28	1.00	1.42½
1928-29	.85
1929-30	1.00
1930-31	.60

REFORMS MADE IN PARIS MARKET FOR WHEAT FUTURES

During the meeting of the council of ministers, which took place recently, the minister of commerce introduced to the French cabinet several measures which are intended to effect immediate reforms in the Paris market for future transactions in wheat, according to a report from George W. Berkalew, assistant trade commissioner for the United States in Paris. Among the various measures proposed the most significant are indicated as follows:

1. The admission of qualified representatives of producers to syndicate organizations of the Bourse in order that agricultural interests may be directly associated in the policies and functions of the futures market.

2. The strengthening of the present system of administrative supervision of the Bourse de Commerce.

3. The obligatory registration of transactions effected at a central liquidation office, the purpose of which will be to guarantee the execution of commitments made.

4. The inauguration of an office of administrative control over brokers and commissioners for the purpose of constantly supervising the execution of operations in wheat futures.

CHANGE POLISH GRAIN RESERVE CONTROL

On the basis of a decision of the economic committee of the Polish cabinet, the control of the state grain reserve has been transferred from the ministry of the interior and the State Land Bank to the state grain and industrial enterprises, the United States Department of Commerce is informed in a report from Clayton Lane, American commercial attache in Warsaw. All government activities in connection with grain reserves will thus be concentrated in one institution, which is also entrusted with the management of the Bydgoszcz flour mills and the construction of a grain elevator and flour mills in Lublin, Poland.

ESTONIA'S DUTY ON BARLEY INCREASED

There is a large crop of barley in Estonia this year and in view of this fact the government has put into effect a law increasing the duty on barley grain to 0.10 gold francs per kilogram, (\$0.42 per bushel) and on barley flour, malt and groats to 0.20 gold francs per kilogram (\$0.018 per pound), the Department of Commerce is informed in a report from Lee C. Morse, American commercial attache in Riga, Latvia.

Previously barley was on the free list, while barley flour and malt were subject to a customs duty of 0.09 gold francs per kilogram (\$0.008 per pound) gross weight, and barley groats to 0.08 gold francs per kilogram (\$0.007 per pound). Production of barley in Estonia amounted to 6,000,000 bushels in 1929, and has averaged about 5,000,000 bushels for the past five years.

HEAVY SOVIET RUSSIAN WHEAT SHIPMENTS BOOKED FOR OCTOBER

Shipments of soviet Russian grain through the south Russian ports have been rather significant during the past weeks, with wheat predominating considerably at most times. Total shipments of the five main crops since the beginning of the new campaign (July 1, 1930) to September 1, amounted to 351,000 short tons compared with no shipments at the same time a year ago. August shipments of wheat were larger than during any of the preceding months, having amounted to 187,000 tons as compared with only 26,000 tons shipped during July and 32,000 tons exported in May.

Foreign reports indicate that considerable tonnage has been booked by the soviets for October, so it appears that exports will continue on the

same rather high level, or may even increase, in the weeks to come.

Generally speaking, the German import certificate system, particularly during 1930, has lost much of its original character as a device for equalizing price levels and making the tariff more effective in relatively remote parts of the country by allowing exports from behind tariff walls to natural markets outside.

It is now being used, in conjunction with an array of new regulatory measures, such as the milling law, the bread law, corn monopoly, etc., as a device for controlling or influencing domestic commodity markets through manipulation of imports and exports of these and related products. The system has now become a farm relief measure pure and simple.

The large increases in German duty on wheat since the first of the year without alteration of the values of the import certificates has had the effect of removing practically all incentive for wheat exports. Some exports have occurred, but these have probably consisted of poor quality grain whose market value was somewhat in line with world prices. With an import duty of 97.24 cents per bushel and the value of the import certificate fixed at only 42.14 cents the same time that the country is importing considerable wheat, domestic price levels are forced sufficiently above world levels so that the deficit areas within Germany offer prices attractive enough to offset the lower cost of transportation between portions of Germany, such as East Prussia and certain natural foreign markets, such as the Scandinavian countries. The relatively high domestic price levels tends to make for sale of wheat at home instead of abroad, though some exports of low qualities may still be possible.

In the case of wheat, however, the import certificate system has practically lost its significance as a result of the enactment of the milling regulations calling for the milling of a certain prescribed percentage of domestic wheat of all mills.

THE PROBLEM OF RUSSIAN WHEAT REPORTS

For more than a decade Russia has been an uncertain factor in the world wheat situation. A definite forecast with regard to the future of soviet Russia in the world wheat trade is extremely difficult at this juncture. Nevertheless, it may be worthwhile to survey the wheat situation in that country as the basis for judging possibilities of future production and exports.

During the past five years, Russian wheat production appears to have been somewhat above pre-war for the present territory of soviet Russia but the increased production has not been equal to the increase in consumption. Production in the period 1925-1929 averaged 5 per cent above pre-war but in the meantime population had increased about 8 per cent.

Furthermore, per capita consumption of wheat has increased in recent years. Urban per capita wheat consumption by 47 per cent between the years 1923-24 and 1926-27 before the advent of wholesale rationing and rural consumption increased 67 per cent. This increase in per capita consumption apparently has been due in part to replacing rye with wheat.

Producers of wheat have greatly increased consumption and one result of the increase in consumption has been a great reduction in the amount of wheat appearing in commercial channels.

The government procurements of wheat for the domestic deficit areas and for export purposes during the period 1925-1929 amounted to only about 10 per cent of pre-war exports.

AUSTRALIAN WHEAT

Weather prospects in Australia are generally favorable and an average yield or better seems to be in prospect. The size of the actual harvest is in considerable doubt on account of weather uncertainties for the balance of the season and uncertainty as to the amount of harvested acreage.

The wheat acreage sown is reported as 17,491,000 acres which is a 24 per cent increase over the harvesting acreage of 1929. There is little doubt of there being a big increase in wheat acreage but there is some question whether the increase reported is indicative of the increase in area to be harvested for grain.

BARGE service for grain is contemplated by the Spokane International Railway over the Kootenay River in Idaho.

SCOTLAND recently received the first Russian wheat since the World War, a dispatch by the United Press states. A shipment of 56,000 bushels arrived from Russia at Leith, Scotland, for the Co-operative Wholesale Society.

THE annual loss from black stem rust of wheat, oats, rye, and barley, in the barberry eradication area has declined from approximately 57,000,000 bushels for the period 1915 to 1919 to about 41,000,000 bushels for the period 1925 to 1929, according to estimates by the United States Department of Agriculture.

ELEVATOR AND GRAIN NEWS

EASTERN

Contract has been awarded by the Pennsylvania Railroad for the construction of a 1,300,000-bushel addition to its elevator at Erie, Pa., which will give the company a total storage capacity there of 2,500,000 bushels. The Western Stevedoring Company has been operating this elevator property since July.

MISSOURI, KANSAS AND NEBRASKA

The Blair (Neb.) Milling & Grain Company has purchased the large warehouse of the Rivet Lumber & Grain Company.

A deal was consummated recently whereby L. F. Meier and H. R. Shoen come into possession of the Kellogg elevator property at Oxford, Neb.

ILLINOIS

According to a press bulletin, the Illinois Feed & Elevator Company, of Bloomington, was adjudged bankrupt by order of the United States district court.

The Archer-Daniels-Midland Company, of Chicago, has electrified its plant and installed a large Randolph Direct Heat Drier which is equipped also with an oil burner; this drier was put in for the purpose of handling soy beans at Chicago.

MINNESOTA AND WISCONSIN

Frank K. Machacek was appointed temporary receiver for the Rice County Co-operative Elevator Company, of Lonsdale, in an order filed by District Judge Senn.

The Aetna Company elevator at Bird Island, Minn., has been sold to the Farmers Union Terminal and will continue under the management of W. H. Sheehan.

The Farmers Union Elevator Company with a capital stock of \$30,000 has been formed in Murray County, Minn., and has bargained for ownership of the old farmers' elevator at Chandler.

IOWA

The Farmers Grain Company at Corwith has changed hands and is now operated by the North Iowa Grain Company.

The Farmers Elevator Company, of Rockwell City, will liquidate and cease business and the Farmers Grain Company will handle the business of both concerns.

Fuller & Horras, operating as the What Cheer (Iowa) Grain & Fuel Company, are disposing of their elevator to Lewis Bros., who will take possession before next December.

New methods of hauling grain made it necessary to install modern and larger scales at the Trans-mississippi Grain Company elevator at Harlan, declares Manager Charles Kinsey who recently had several Fairbanks Morse scales installed at the plant.

SOUTHERN AND SOUTHWESTERN

Plans are being considered for the complete renovation of the elevator at Port Arthur, Texas, owned by the Kansas City Southern Railroad.

The Red Star elevator at Medford, Okla., property of the Red Star Milling Company, was closed during the early part of last month and placed upon the market.

The Ballard & Ballard Company, of Louisville, Ky., has awarded contract for the first unit of its grain elevator of 712,000 bushels' capacity to the Jones-Hettelsater Construction Company, of Kansas City.

The Valley Farm Company at Rice, Texas, installed a Randolph Direct Heat Grain Drier which is operated with an oil burner. The oil burners on Randolph Driers are capable of using a low grade of oil for fuel which costs less than Anthracite coal or coke.

OHIO AND MICHIGAN

J. R. Shuman & Son, of Covington, Ohio, have leased their grain elevator to G. E. Kinnison & Son.

A merger of interests of three elevator companies took effect last month. The merger involves

all of the properties of the Michigan Bean Company, the Cass City Grain Company, and six elevators of the Saginaw Milling Company.

Burton R. Hoaglin, manager of the Scott Equity Exchange for two years, recently purchased the elevator at Cavett, Ohio, owned by the Cavett Elevator Company, a \$25,000 corporation.

Incorporation of the Ann Arbor Grain & Feed Company with a capital stock of \$25,000 has been announced. The company will grind feed, handle fertilizer, lime, and all seeds and concentrated feeds.

The Toledo (Ohio) Seed & Oil Company, which is a subsidiary of the Archer-Daniels Midland Company, of Minneapolis, is now taking in soy beans at their plant and running them through a Randolph Direct Heat Drier for the purpose of removing the excess moisture. This drier is operated with an oil burning furnace, which eliminates shoveling coal and removing ashes. The plant also has made a number of other improvements.

WESTERN

The Washington Co-operative Egg & Poultry Association has announced plans for the erection of a new two-story warehouse at Vancouver, Wash., to cost \$20,000.

One of the largest financial deals for several years in Wheatland, Wyo., was completed recently when the Wheatland Grain Association became the owner of the Cheyenne elevator.

Tacoma's (Wash.) waterfront is promised more business by the purchase of the Big Bend Milling Company's plant at Davenport, Wash., by the Oriental-American Traders Association. The plant was purchased for about \$160,000 and involves the mill, grain warehouse, and elevator of the company.

INDIANA

Harold and Harry Bell have purchased the Douglas elevator at Cottage Grove.

Contract has been let for the construction of a new boiler house at the Union Elevator at Evansville to take the place of the one destroyed by fire recently.

D. L. Williams has purchased two elevators and feed mills in Indiana, one of the elevators and the mills being located at Buckhorn and the other at Colburn.

The desire of the A. Waller Company, of Kentucky, to liquidate its assets and dispose of its holdings, has resulted in the closing of the Waller elevator in Mt. Vernon.

Owing to the poor condition of the corn crop in his territory, Martin Nading, of Flat Rock, has announced that he will not rebuild his elevator, which burned as was previously reported, until next year.

Elevators and other holdings of the Studebaker Grain & Seed Company, which is in receivership, have been sold for \$41,950 to the Hoosier Grain & Supply Company. The properties affected are located at Bluffton, Keystone, Van Buren, and Yoder.

THE DAKOTAS

The Cresbard (S. D.) Grain Company has had a new Link-Belt Distributor installed recently.

Announcement has been made that the farmers' elevator in Beardsley, S. D., has been sold to Zehnpfennig & Wudal of Parkston.

The McGlenn elevator and feed mill at Minnewaukan, N. D., have been purchased by the Eldon-West Bay Local of the Farmer Union.

The Rolette (N. D.) Grain Company was purchased by the Wheat Growers Warehouse Company, operating the Loomis elevator at Enderlin, N. D.

The Letcher (S. D.) Grain Company elevator has been sold by O. H. Johnson to the Benson-Quinn Company of Minneapolis. R. J. Clark is the new manager.

The Farmers Elevator Company, Dallas, S. D., bought out the Nye & Jenks Grain Company and by this combination, the farmers' concern is alone in its line at Dallas.

W. J. Loomis, who for the last 28 years has been operating the Loomis elevator at Enderlin, N. D.,

has announced that he has completed a transaction whereby his interests are taken over by the Farmers Union Terminal Elevator Association of St. Paul.

CANADA

The Horton Elevator Company, of Hammond, has sold out to Pittman & Livengood, of Arthur.

Contracts have been awarded by the Department of Railways & Canals at Ottawa, Ont., for the building and equipment of a 2,500,000-bushel grain elevator to cost \$550,000.

The Department of Public Works at Ottawa, Ont., has awarded the contract for a 168 by 192 feet grain elevator to Bennett & White, Calgary, Alta. The estimated cost is \$600,000. Complete new machinery for handling grain will be installed.

According to an announcement made by J. Cowan, general manager of the Vancouver Milling & Grain Company, Ltd., the parent company, Spillers, Ltd., of London, England, has approved the construction of more storage space to the company's Kamloops, B. C., plant and of an elevator with a capacity of 74,000 bushels.

FIRE AND CASUALTIES

Lake Andes, S. D.—The Farmers Co-operative elevator at Lake Andes was burned recently.

Birch Hills, Sask.—The Searle Grain Company's elevator at Birch Hills burned recently at a loss of \$17,000.

Knapp, Wis.—Fire totally destroyed the Knapp Co-operative Exchange elevator at a loss of about \$25,000.

Auburndale, Wis.—The Gotz Bros. warehouse and feed mill were destroyed by fire recently. The loss was \$12,000.

Converse, Texas—The Simon & Borgfield corn shelling plant burned to the ground recently, the loss approximating \$20,000.

Kent, Minn.—Andrew Neppel, who operates the Kent Farmers elevator, was seriously burned when an explosion wrecked the elevator.

Franklin, Minn.—A loss of \$12,000 was sustained by J. H. Anderson recently when his grain elevator and feed mill burned to the ground.

Gridley, Calif.—Channon & Long's grain warehouse, the largest in Gridley, was destroyed by fire recently. The loss was estimated at \$150,000.

Mason, Mich.—The Farmers Co-operative elevator used as a feed mill and prepared stock establishment was razed by fire. Loss was placed at \$10,000.

Lewis Creek, Ind.—Fire of unknown origin destroyed the grain elevator operated by the Nading Grain Company at Lewis Creek, damage amounting to \$25,000.

Kennard, Ohio—The grain elevator at Kennard was wiped out by blaze last month. Damage amounted to \$15,000 which was partly covered by insurance.

Plaza, Wash.—Bulk wheat valued at \$50,000 and a \$15,000 grain elevator at Plaza were destroyed by fire caused by lightning. The plant will be rebuilt next spring.

Robbins, Calif.—Burning for more than 12 hours, fire destroyed the Seymour grain warehouse of the Sutter Basin Corporation at Robbins with an estimated loss of \$200,000.

Shannon City, Iowa—Fire, which for a time threatened to destroy every building in Shannon City, burned the Farmers Co-operative grain elevator and contents to the ground.

San Antonio, Texas—The Killingsworth Grain Company, of San Antonio, lost \$10,000 in a recent fire which destroyed two warehouses filled with grain and hay. The fire originated when a truck back-fired into a pile of corn husks.

Medicine Lodge, Kan.—Fire, believed to have been caused by spontaneous combustion, destroyed the elevator and lumber yard belonging to the Medicine Lodge Milling Company. H. W. Skinner, the owner, estimated the loss at \$75,000.

Manitou, Man.—Fire of unknown origin destroyed the McCabe Company elevator at Manitou. The volunteer fire department which answered the

alarm managed to prevent the fire from spreading to the nearby Manitoba Pool elevator. The loss is \$60,000.

Reesville, Ohio.—The W. A. Ewing grain elevator at Reesville was destroyed by fire originating from a source unknown. The loss, partly covered by insurance, is about \$15,000.

Pendler, Neb.—An electrical storm recently resulted in a loss of more than \$20,000 when an elevator owned by the Moseman Lumber Company was struck by lightning.

Red Lodge, Mont.—The elevator of the Montana-Dakota Grain Company at Red Lodge was almost totally destroyed by fire, 150,000 bushels of grain also being burned. It is planned to rebuild the unit.

Tipperary Siding (Walhalla p. o.), N. D.—The grain elevator owned by A. H. Lee & Sons located at Tipperary, six miles north of Mohall, was completely consumed by fire, the damage reaching \$15,000.

HAY, STRAW AND FEED

Jesse Young, formerly in the grain business in Toledo, Ohio, is now at the head of the Ralston Purina Company's soy bean plant at Lafayette, Ind.

The Owosso (Mich.) Elevator Company, operated by G. A. Mills, has purchased a modern hammer mill, directly connected to a 40-horsepower electric motor.

F. R. Gill has purchased a warehouse at Schoolcraft, Mich., and is remodeling it into a feed mill. He has purchased a Jay Bee No. 3 Hammer Mill which will be protected by an electro-magnetic separator.

The Maritime Milling Company has awarded a contract for the remodeling of one of its present warehouses to give additional space and accommodate a mash feed plant. The A. E. Baxter Engineering Company has prepared plans for the work.

The Daggett (Mich.) Farm Bureau has just completed the installation of a Jay Bee No. 3 Hammer Mill with a directly connected 40-horsepower motor. The mill is equipped with a built-in electromagnetic separator to eliminate tramp iron. It is also installing a three-horsepower Fairbanks Morse fully enclosed, self-ventilated motor to operate the seed cleaner.

OBITUARIES

BARNIDGE.—August J. Barnidge, an old grain man, and a member of the St. Louis Merchants Exchange, died recently.

BEALL.—B. R. Beall, former traffic man and member of the Kansas City Board of Trade, died at his home on September 27 at the age of 65 years.

BEYER.—John V. Beyer, for many years manager of the Farmers Elevator Company elevator at Jackson, Minn., died last month. He is survived by his widow and a daughter.

BIBB.—John T. Bibb, 77, former grain elevator man, died at Tacoma, Wash., recently. He is survived by his widow, two sons, and a daughter.

BUCKINGHAM.—John Buckingham, retired Chicago grain merchant, died on October 3 at his summer home in Wisconsin. He was a member of the Chicago Board of Trade.

CHALMERS.—J. B. Chalmers, accountant for the Saskatchewan wheat pool, died suddenly in Winnipeg following a brief illness.

DALTON.—John Dalton, 73, a resident of Peoria all his life, and a former member of the Peoria Board of Trade, died at the home of his daughter in Silvis, Ill. His widow, two sons and three daughters survive him.

FRANK.—Carroll L. Frank, 51, member of the Chicago Board of Trade, shot himself to death early this month as a result of despondency over illness.

KERSHAW.—Henry Baldwin Kershaw, widely known grain buyer of Walla Walla, Wash., died suddenly at his home in that city. Mr. Kershaw, who was 64 years old, is survived by his widow, two daughters, and a granddaughter.

McKNIGHT.—Samuel L. McKnight, ex-president of the Philadelphia Commercial Exchange, died last month at the age of 78. He was president of the commercial exchange in 1910 and 1911, and treasurer from 1927 to 1929, as well as having served as a director for many years.

MILLER.—Ralph C. Miller, for many years head of the United States grain supervision office in Minneapolis, died, September 27. Mr. Miller, who was 47 years of age, is survived by his widow, two sons, and a daughter.

MITCHELL.—Arthur J. Mitchell, president of Mitchell Bros. Publishing Company since its foundation, died September 25 following a short illness. He was born on October 21, 1852. (See particulars on first page.)

RITTENHOUSE.—Edward Rittenhouse, a retired

member of the New York Produce Exchange, died last month. He was 83 years old.

SHEA.—A. B. Shea, superintendent of the St. Anthony & Dakota Elevator Company, died at Minneapolis late in September. He is survived by a son.

SMITH.—Roderick Smith, president of the Smith Mill & Elevator Company, Minneapolis, died September 27, at the age of 57. He is survived by his widow, one son, and three daughters.

SMITH.—Ollie O. Smith, 51, manager of the grain elevator at Rosston, Ind., for the past seven years, passed away last month following an emer-

gency operation. He is survived by his widow, a daughter, six brothers, and a grandson. His loss is felt severely in the community.

TAYLOR.—G. Wilbur Taylor, head of Taylor Bros., grain, feed, and flour firm, died on September 23 in Atlantic City at the age of 64. Mr. Taylor, who had been in poor health for over a year, was one of the oldest members of commercial exchange. He leaves behind a daughter.

WENZEL.—E. J. Wenzel, 60, prominent member of the Duluth Board of Trade and buyer for the Consolidated Elevator Company, died at his home in Duluth last month.

FIELD SEEDS

SEED CASES BEFORE FEDERAL TRADE COMMISSION

On the complaint docket of the Federal Trade Commission, under the subhead "Falsey claiming Government inspection," the name of the Kansas Seed Company, Salina, Kan., dealers in grass and field seeds, is listed.

In the same report on the commissions work, issued recently, appears the following paragraph under the subhead "Stipulations":

"Chemical seed corn protector—use of trade name 'Repellent' and of containers, pictorial representations, and advertising matter which simulate that of a competitor; and representations to the effect that competitor's product is identical with 'Repellent' and that competitor's business has been acquired, when such are not the facts."

CACTUS SEED TRADE CUT

Who wants cactus seeds? The answer is a lot of people in the United States who are using them for outdoor and interior ornamentation. Other more practical uses are being developed, too, it is reported.

All of which has led the Mexican government to prohibit the collection of cactus plants and seed for exportation except during the period in each year from January 1 to July 31.

Cactus seeds must have their certificates of origin, etc., exactly the same as other seeds which are old timers in the seed trade. Such certificates are issued by the Mexican Forestry Service.

REPORT ON SEED VALUE OF 1930 CORN

That barrenness and smut infection in this year's corn will not be carried in the seed and appear in the 1931 crop, except as local conditions at that time may favor these conditions, is the opinion of G. H. Stringfield, associate in agronomy at the Ohio Experiment Station.

A high percentage of barren corn plants have been noted in the areas of Ohio that recently suffered severely from drought. The same barren plants are commonly badly smutted. Although these plants will produce no seed, they did mature pollen which fertilized other plants. Will this result in an abnormally high proportion of barren plants or smutted plants if seed from these fields is planted next year?

All the evidence points to the conclusion that both barrenness and smut infection will be conditioned by the local conditions of 1931 rather than by what has happened to the plants this season. Corn would be no more likely to inherit abnormal barrenness from this year's seed than would next spring's lamb crop be likely to inherit docked tails from docked parents.

Certain types of barrenness may indeed be inherited; likewise, susceptibility to disease, but inherent tendencies appear not to be brought on by environmental agencies such as the past season's drought, even though the present generation is greatly affected.

SEED LOAN OFFICE GRANTS FUNDS

Five hundred and fifty thousand dollars of the unexpended balance of the \$6,000,000 appropriated by congress last March for loans through the farmers' seed loan office of the United States Department of Agriculture to relieve distress in 15 states from storms, floods, and drought in 1930, has been allotted to farmers seriously affected by the summer's drought in Alabama, Oklahoma, Virginia, and Missouri, for the purchase of seed and fertilizer for fall and winter pastures.

Applications for these loans must be backed by the farmer's promissory note and a mortgage on his crops, and must be approved by a county com-

mittee before they can be accepted in Washington, according to G. L. Hoffman, who is in charge of the Federal Seed Loan Office. Loans cannot be made for crops to be harvested in 1931, he says.

Approximately 2,000 applications for loans have been received to date, and Mr. Hoffman expects as many more by October 15, the final day for accepting applications. Of these, 1,732 have been approved as follows: Alabama, \$8,548 on 180 loans; Oklahoma, \$27,853.45 on 859 loans; Virginia, \$24,990 on 368 loans; and Missouri, \$16,469.25 on 325 loans.

IOWA, MISSOURI TIMOTHY SEED MOVES RAPIDLY

Growers of Timothy seed continued to sell freely during the two weeks ended September 16. The United States Bureau of Agricultural Economics estimated that 70 to 75 per cent of the crop had been sold by growers up to that date, compared with 60 to 65 per cent last year, 55 per cent two years ago and 50 per cent three years ago. The most rapid movement thus far has taken place in the principal producing sections of Iowa and Missouri. Weather conditions were generally favorable for threshing and prices appealed to growers.

Late reports tended to confirm earlier ones from shippers regarding the quality of the crop. Although the seed was hulled slightly in some districts, fully four-fifths of the shippers who reported regarded the quality as good or very good.

Prices advanced in all the important districts during the two weeks and on September 16, averaged \$5.90 per 100 pounds, basis clean seed, compared with \$5.25 two weeks before, \$4.20 a year ago, \$4 two years ago and \$2.65 three years ago.

Exports from the United States gained momentum during August and for that month reached a total of 515,392 pounds in contrast with only 284 pounds in July. In other years, exports for August amounted to 34,766 pounds in 1929, 95,667 in 1928 and 222,525 in 1927. During the week ended September 20, about 90,200 pounds left one Atlantic port for Germany.

INDIANA SEED NEWS

By W. B. CARLETON

The five-year wheat improvement program in southern Indiana, sponsored by Purdue University and the Southwest Indiana Millers Association, is underway with the distribution of more than 4,000 bushels of certified wheat seed to growers in eight countries in southwestern Indiana where the development program is being carried out. Large quantities of the seed wheat were purchased by the millers and it was distributed to the growers on liberal terms and at reduced prices, under the supervision of county agents.

Kentucky wheat growers have been urged to postpone sowing Winter wheat crops until the danger of Hessian fly had passed by Professor W. A. Price, state entomologist and head of the entomology and botany department of the University of Kentucky Experiment Station at Lexington. It was announced that wheat in western Kentucky could be sown safely after October 10 to 12.

Ideal weather prevailed in most sections of Indiana for wheat sowing late in September and early in October. In some counties, judging from reports, the acreage sown was a little under that of last fall. Farmers also have been busy gathering their corn. The first new corn arrived on the market at Evansville the first week in October and the quality of the grain was good.

Both wholesale and retail seed dealers in Indiana say that trade in October has shown some improvement over that of September. Many farmers in Indiana planted late crops this season in an effort

to raise more foodstuffs to take the place of corn and other feeds that were damaged by the summer drouth.

* * *

Seed and feed dealers in towns along the Ohio river are watching with interest the building of river and rail terminals on the Ohio River at Evansville. They say that after the terminals have been completed that more shipping of feeds and seeds by boat and barge will be done along the Ohio River and this ought to mean a saving in freight rates.

RED AND ALSIKE MOVING FASTER

Early movement of Red and Alsike Clover seed from the farms has been much faster than last year. Growers were further along with hulling than a year ago and they tended to sell more freely as prices were higher. In its October report, the United States Bureau of Agricultural Economics estimates that about 30 per cent of the Red Clover and 50 per cent of the Alsike Clover seed had been sold by growers up to September 23. At a corresponding date last year 10 to 15 per cent of the Red Clover and 30 per cent of the Alsike Clover had been sold.

Prices to growers were higher than last year at harvest and have advanced subsequently. On September 23 they averaged \$4.50 per 100 pounds higher than a year ago for Red Clover and \$3.40 for Alsike Clover.

WARNING ON SHORTAGE OF SEED CORN FOR 1931

A suggestion to farmer customers of grain dealers about securing their supplies of seed corn for 1931, is in order right now.

The United States Department of Agriculture, in this connection, states: "It is probable there are few areas so seriously affected that sufficient corn of local adapted varieties cannot be had for planting in 1931, but the seriousness of the conditions must be recognized, and steps taken immediately to insure that enough seed of these varieties is saved. Furthermore, it should be recognized that the customary practice of selecting only large, well-filled ears for seed cannot and need not be adhered to in areas where drought and heat have reduced the corn crop to almost nothing. Seed corn is going to be scarce in the spring of 1931 in many areas and those who put off obtaining a supply until then may have to pay a fancy price for seed brought in from a distance and which may be unadapted to the locality."

"Old corn which may be intended for planting in 1931 should be tested for germination as soon as possible. If it will germinate now and is kept protected from the weather during the coming winter, it will germinate next spring. If it does not germinate now there is time to seek another source of seed."

BIG PROFIT IN ALFALFA SEED

Farmers who have been willing to sacrifice wheat acreage to crops for which there is a greater demand are not worrying about getting through the winter. Local dealers have been taking their harvests at record profits for the growers.

In the Northwest, numerous stories are being told of big profits from Alfalfa seed in spite of last summer's drought, but probably the record profit was that of Charles Lang, a farmer near Faith, S. D., who took \$3,728 worth of seed from 80 acres.

He reports the sale of products from his farm so far this year bringing him \$5,500, and he yet has his cattle to sell. Mr. Lang raised no wheat, devotes his time to raising alfalfa, cattle, hogs, and poultry.

He is ready for winter with plenty of hay to feed his stock for the season, and 200 head of Hereford cattle, enough hogs and about 100 chickens to care for the winter. Mr. Lang has his farm equipped with electricity.

SAVING AND STORING SEED CORN PLAN OF THREE STATES

To make plans for saving enough seed corn so that farmers in the drought area will have seed of a good-producing, locally-adapted variety for next year's crop is the object of a series of conferences being held in several states by state seed growers' associations and commercial seed dealers co-operating with the United States Department of Agriculture.

The first conference was held in Richmond, Va., September 29, with the Virginia Crop Improvement Association, Virginia seed dealers and O. S. Fisher, extension agronomist of the Department of Agriculture attending. Mr. Fisher reports that plans were made for saving and storing all of the corn which was able to grow under the drought conditions and produce kernels that will germinate. Similar conferences have been held at Lexington, Ky., and at Little Rock, Ark.

Virginia, Kentucky, Arkansas, West Virginia, Tennessee, and Oklahoma, because of the long dry

season have not produced enough seed corn for their own use and will probably have to ship some in from other states, Mr. Fisher says.

In some states where the seed corn situation is a little better such as Illinois, Indiana, and Ohio, there will be a fair supply if all available seed is saved. These states also are holding a series of conferences on the selection and storage of seed corn.

1,248 VARIETIES OF BARLEY IN SEED TEST STATION

The outdoor cereal testing "laboratory" at Aberdeen, Idaho, has been increased in size this year, and much more genetic work in grains has been undertaken.

In the barley nursery there are 1,248 different barleys being grown for the United States Department of Agriculture to keep up the viability of the seeds. Dr. H. V. Harlan is growing the total population of 28 different crosses on the Aberdeen plots. After these have been grown for three or four years longer it should be possible to make same exceptionally good pure line selections.

The wheat nursery is made up almost entirely of Dicklow-Federation crosses and selections from these crosses. Some of the selections are showing considerable promise, and milling tests will be made of the most promising ones this coming winter.

The oat nursery is largely made up of Markton crosses and hybrids. T. R. Stanton and F. A. Coffman of the United States Department of Agriculture are trying to select out a high yielding, stiff-strawed, white oat that is smut resistant.

Smut treatment tests are being conducted with wheat, oats and barley in conjunction with the United States Department of Agriculture office of cereal crops and diseases.

FLAXSEED VOLUME MOUNTS

Production of flaxseed in the United States for 1930 is estimated at 26,000,000 bushels, as compared with a crop of 16,844,000 bushels in 1929.

American linseed oil makers are dependent upon foreign supplies for a major portion of their raw material, but this situation is being changed as a result of a movement which is under way. This move which has the support of the Government railroads, grain men and others as well as the linseed oil trade, aims to have the farmers of the United States devote an increased acreage to the production of flaxseed.

Several-fold advantages are expected to be derived from a larger output of flaxseed in this country, one in particular being that it will tend to reduce the acreage devoted to wheat and other grains of which there is an exportable surplus. An increased production of flaxseed, of course, will mean a reduction in the price for that product, but the present price for the commodity is such that even a much lower level would produce a better return to the farmer per acre than many of the other grains. Furthermore, the tariff situation is favorable to such extent that the opinion prevails that this country could easily raise 35,000,000 bushels of flaxseed before a change is deemed necessary. This, in a measure, is helping to overcome the prejudice of the oldtime farmer against flax, which has the reputation of depleting the soil.

40 PER CENT CUT IN SWEET CLOVER SEED PRODUCTION

Production of Sweet Clover seed in the United States is expected to be at least 40 per cent smaller than last year. According to reports received by the United States Bureau of Agricultural Economics from about 600 growers and shippers, acreage saved for seed was much smaller than last year in the majority of the heavy producing sections. On the other hand, yield per acre was expected to show a slight increase. Prices to growers were slightly lower than last year. The quality of the seed is expected to be slightly inferior to that of last year.

The potential acreage of Sweet Clover has been on the increase for several years, but relatively low seed prices for the past three years have not appealed to growers and they have preferred to put much of the crop to other uses such as for pasture or turning under for green manure. On account of the drought this summer, hay and pasture were the shortest in years so that a much greater proportion of the crop than usual was put up for hay. In general growing conditions were almost as favorable as last year but stands were thinner mainly because of the dry weather in the fall of 1929. Growth was less rank in some sections, because of the drought, and maturity was earlier.

Apparently heavy winds caused less loss from shattering than last year.

Nearly 200 growers in the United States, whose aggregate acreage harvested for seed this year amounted to 4,573 acres, reported yields per acre which averaged about 275 pounds or about 10 per cent more than last year.

Quality Good

The quality of the seed is regarded as good quite generally. On account of the dry weather, ripening was uniform and there was little or no damage to the color from rains. Of the total number of growers who reported, about 15 per cent regarded the quality as very good, 45 per cent as good, 30 per cent as fair and 10 per cent as poor.

Spring sales were a trifle smaller than those of 1929. Production in 1929 was slightly larger than the year before. Imports fell off sharply. Carry-over is believed to be slightly smaller than last year.

Imports of biennial white Sweet Clover from Canada for July 1, 1929 to June 30, 1930, amounted to 205,800 pounds, compared with 1,463,600 last year, 3,379,400 two years ago and 4,129,900 three years ago for the same period.

WHITE CLOVER SEED PRODUCTION SMALLER THAN LAST YEAR'S

Production of White Clover seed is expected to be much shorter than last year in Wisconsin but about the same as or somewhat smaller than the year before in Idaho and Louisiana, according to information obtained from growers and shippers by the United States Bureau of Agricultural Economics. The 1929 crop was larger than the one in 1928.

Pastures were in much poorer condition than a year ago in Wisconsin and a much smaller acreage was saved for seed. The yield per acre was expected to be nearly as heavy as a year ago in spite of the hot, dry weather. Acreage showed further expansion in Louisiana but yield per acre was indicated to be smaller than a year ago.

CONTROL OF SEED VARIETIES SOUGHT IN ILLINOIS

On August 27, Dr. W. L. Burlison, representing the state university, met with the crop improvement committee of the Southern Illinois Millers Association in St. Louis, Mo. Dr. Burlison stated that he came to St. Louis to carry out a few thoughts on wheat crop improvement which he felt could be done in a more profitable manner if a definite program for future use could be agreed upon and put in practice with the various agencies interested in Soft wheat crop improvement. He also stated that the college of agriculture at the university was willing to go to the limit in co-operation with the grain dealers and millers to that end. The program adopted is divided into five points: First, weed control; second, diseases; third varieties; fourth, rotation; fifth, soil treatment. The types or varieties of wheat agreed upon by those present ranked as follows: Fulho, Fultz, Harvest Queen, Trumbull.

A new bulletin on wheat diseases has just been issued by the university, which will be available for distribution soon. Dr. Burlison also agreed to get out a large poster covering the general program for Soft wheat crop improvement, which will be furnished to dealers and millers without charge. This poster will be printed in bright colors and made attractive so that the farmer will see it when he enters the mill or wheat buying station. He also suggested that we continue the use of the bulletins and, especially, the circulars on smut prevention and garlic control.

J. L. Grigg, secretary of the mill organization, says: "Inquiries for seed wheat from Missouri and Illinois are coming in every day, and I am positive many more would come if a general rain would come to the entire territory. We received an inquiry for seed wheat from one of the leading Oklahoma grain companies. This company writes us that they have several mills and 27 country stations where they buy wheat. We have had some corre-

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spondence from Tennessee and Kentucky mills inquiring about seed wheat. It seems possible then, if we can bring up our wheat varieties in both of these states, that we can make them the center of seed wheat distribution. This means the full co-operation of the millers, university staff and the farm advisers. A volume of seed wheat distributed this fall will be very large as compared to last fall, which means that by another year we will have enough wheat of the varieties we are working on to let some of the other states have some of this wheat. The advance in price paid for this special seed wheat has paid the farmer, not only in yield but brought him 25 to 50 cents a bushel over the price paid in his local market."

demand for seed just when the farmers are poor, and getting low prices for their stuff, reply that farmers simply must have the seed and that they will buy regardless of this situation.

Wisconsin will be exceptionally well off this year in the seed trade, the handlers say, because this state was not hit so much by the drought. The yield of clover seed is low, but it is not nearly as bad as in many of the other states which ordinarily produce clover seed for commercial purposes.

The Timothy seed market is all cleaned up from first hands. There is a big demand for seeds and the price has gone up in the last month from \$1 to \$1.50. Quotations now range around \$8.50 to \$9, the highest for a long time.

There is an urgent demand for White Clover seed and practically none is available, the dealers state. The price is being held mostly around 35 to 40, which is higher than usual for this class of seeds.

The alsike market is quoted largely from \$23 to \$26, an advance of \$1 to \$2 in the last 30 days. The seed is scarce and is all out of first hands, according to the seed handlers of Milwaukee.

RETAIL SEED SALES GREATER THAN IN 1929 U. S. REPORT

Records now compiled and released by the United States Department of Agriculture, show that during the spring selling season, retail sales of Red Clover, Alfalfa, Timothy, Redtop, the millets, Sudan grass, soy beans, seed corn and vegetable seeds, showed slight increases over those of 1929. On the other hand slight decreases were shown in the sales of Alsike Clover, and Sweet Clover. The following data was obtained from about 2,900 seed dealers by the Federal Bureau of Agricultural Economics.

Red Clover seed sales averaged about 6 per cent greater than last year. Nineteen states indicated larger and seven smaller sales than in the spring of 1929.

Alsike Clover seed sales were about 1 per cent smaller than last year. Smaller sales were reported in 17 states and larger in eight.

Sweet Clover seed sales showed a decrease of about 2 per cent, but were larger than last year in 11 states; Alfalfa seed sales showed an average increase of 2 per cent over the year before. They were larger in 14, but smaller in 13 states.

Timothy seed sales averaged about 2 per cent greater. They showed increases in 13, but decreases in 12 states.

Redtop Clover seed showed a 1 per cent increase. They were larger in 12, but smaller or the same as last year before in 14 states.

Millet seed sales make an average increase of about 1 per cent and were as large as or larger than last year in all but nine states.

Soy beans seed increased 5 per cent in sales. Larger sales than last year were reported in all but five states.

Seed corn sales were larger than last year in 21 states and smaller in eight. They averaged about 9 per cent greater than last year.

Arrangements are being made for the construction of a new \$10,000 building for the Bonahoom Seed Company at Hastings, Neb., the old building having been damaged badly by a recent tornado.

"OUR 45,000,000-bushel corn crop this year is about the same as 1929," says Agricultural Commissioner Talmadge, of Georgia. "Such part of it as is marketed will bring an average of \$1 a bushel in view of drought conditions in the Middle West."

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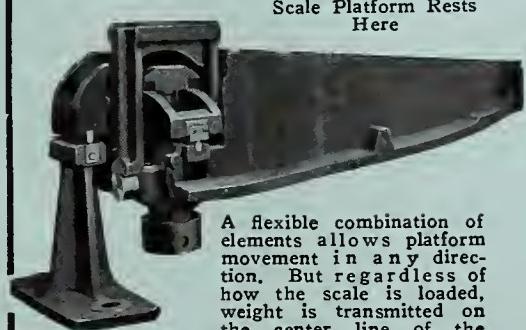
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Make Feed Grinding More Profitable!

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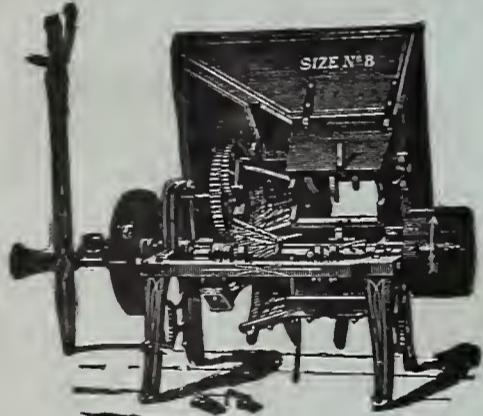
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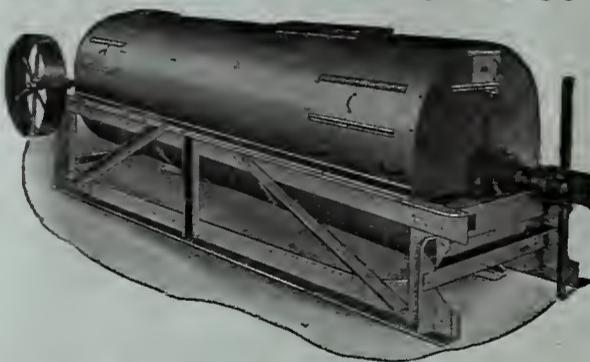
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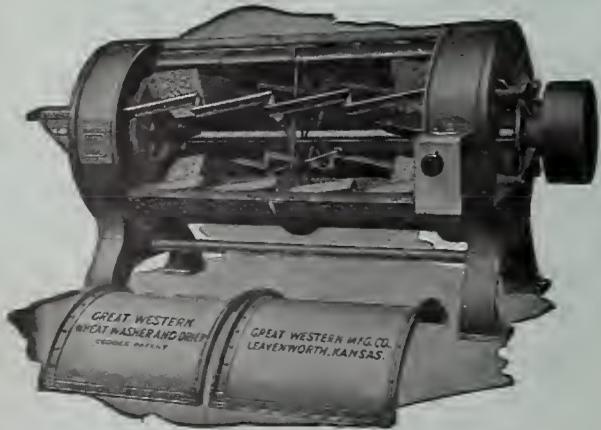
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